

of the Subversive Activities Control Board with respect to Communist organizations may be made applicable to successor organizations; to the Committee on Un-American Activities.

By Mr. DORN of South Carolina (by request):

H.R. 8430. A bill to establish a conclusive presumption of soundness in wartime cases; to the Committee on Veterans' Affairs.

By Mr. HALPERN:

H.R. 8431. A bill to effectuate and enforce the constitutional right to the equal protection of the laws, and for other purposes; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 8432. A bill to amend the Federal Voting Assistance Act of 1955; to the Committee on House Administration.

By Mr. RHODES of Pennsylvania:

H.R. 8433. A bill to amend the act of October 30, 1951, by placing an annual limitation on publishers' second-class mail subsidies; to the Committee on Post Office and Civil Service.

By Mr. CANNON:

H.J. Res. 475. Joint resolution amending a joint resolution making temporary appropriations for the fiscal year 1960, and for

other purposes; to the Committee on Appropriations.

By Mr. ASHMORE:

H.J. Res. 476. Joint resolution imposing an additional import duty on foreign-made automobiles and providing that the proceeds of such duty shall be used to augment the highway trust fund; to the Committee on Ways and Means.

H. Res. 331. Resolution providing that each Member of the House shall disclose certain information with respect to his employees and rental of office space, and regulating the place of performance of duties by certain House committee employees; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

Mr. LAIRD presented a memorial of the Wisconsin State Legislature memorializing the Congress of the United States to repeal the law providing for termination of Federal supervision over the property and members of the Menominee Indian Tribe of Wisconsin, which was referred to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL:

H.R. 8434. A bill for the relief of Mrs. Lea Albert; to the Committee on the Judiciary.

By Mr. LESINSKI:

H.R. 8435. A bill for the relief of Monika Itryna; to the Committee on the Judiciary.

By Mr. RILEY:

H.R. 8436. A bill for the relief of Teodora Ricu; to the Committee on the Judiciary.

By Mr. ROGERS of Texas:

H.R. 8437. A bill to provide for the reinstatement and validation of U.S. oil and gas lease BLM 028500; to the Committee on the Judiciary.

By Mr. WALTER:

H.J. Res. 477. Joint resolution relating to the exclusion of certain aliens; to the Committee on the Judiciary.

H.J. Res. 478. Joint resolution relating to permanent residence and deportation of certain aliens; to the Committee on the Judiciary.

H.J. Res. 479. Joint resolution relating to the entry of certain aliens; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Dixon-Yates Vindicated in Courts

EXTENSION OF REMARKS

OF

HON. PAUL B. DAGUE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. DAGUE. Mr. Speaker, the recent action of the U.S. Court of Claims in validating the damage suit of the Mississippi Valley Generating Co. against the United States confirms our early analysis of the fragile tissue upon which certain public power proponents have based their attack on the Dixon-Yates contract.

The most significant phase of the decision upholding the Dixon-Yates proposal was the sweeping denial that there had been a conflict of interests in the action of Adolphe H. Wenzell who served as an advisor to the Government in the development of the contract at a time when he was on the payroll of the First Boston Corp., one of the financial agents for the Dixon-Yates interests. It is also extremely interesting to note that the presiding justice who handed down this decision is Judge Joseph W. Madden, an appointee of Franklin D. Roosevelt and therefore presumably without bias toward the Tennessee Valley Authority.

What we had in Dixon-Yates was an honest attempt to avoid an expansion of TVA to the detriment of the free enterprise production of public power. Most of us today are persuaded that TVA should be permitted to operate in the area now included in its network but that its operations should be wholly financed from its own revenues, subject of course to periodic review by the Congress.

In the Dixon-Yates controversy the only point at issue was the contracting for privately produced electric current necessary to compensate for that furnished the Atomic Energy Commission by TVA. Happily this matter was resolved when the city of Memphis determined to build its own municipal powerplant thereby releasing the needed extra power. Incidentally, it will be interesting to note the reaction of the citizens of Memphis when they find that they will have to pay the full cost of the electric current they may consume.

One of the weapons used in the attack on Adm. Lewis Strauss was his alleged involvement in the Dixon-Yates contract and the suggestion that he had not acted in the public interest. The Court of Claims in its decisions identifies such charges as sheer demagoguery and it is regretted that the decision had not been handed down in time to blunt the attack against this outstanding public official.

H.R. 3

EXTENSION OF REMARKS

OF

HON. ANCHER NELSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. NELSEN. Mr. Speaker, in recent weeks there has been a good deal of debate and discussion relative to H.R. 3 as passed by the House on June 24, 1959. During this debate reference was made to the rural electrification program and some discussion took place relative to a letter from Clyde T. Ellis of the National Rural Electric Coopera-

tive Association of June 16, 1959. This letter recommended that H.R. 3 be rejected by the Congress of the United States. As a followup of this discussion, I received on July 22, 1959, a letter from the White River Electric Cooperative in Branson, Mo., from which I quote the following:

Because of your recent direct association with rural electrification cooperatives of the United States, plus your interest over the entire life of the rural electric program, we address this correspondence and enclose an excerpt from the minutes of our regular board of directors meeting, July 16, 1959.

The board and I ask that you endeavor to get a copy of the excerpt into the CONGRESSIONAL RECORD.

In view of this request, Mr. Speaker, under unanimous consent, I ask that the following resolution be included in the RECORD.

EXCERPT FROM MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS, WHITE RIVER VALLEY ELECTRIC COOPERATIVE, INC., BRANSON, MO., JULY 16, 1959

Whereas we unanimously agree that rules of interpretation governing questions of the effect of acts of Congress on State laws should be established;

Whereas, as we understand H.R. 3, which was passed by the House, June 24, 1959, by a vote of 225 to 192, will establish such rules if enacted into law;

Whereas we believe in the following as basic relative to labor laws:

1. State jurisdiction if not preempted by the Federal Government.

2. Bill of rights for union members themselves.

3. Picketing, designed to force or coerce employees into unions against their will, should be regulated.

Now therefore, we, the board of directors of the White River Valley Electric Cooperative, Inc., do hereby

Resolve, That in the best interest of our approximately 30,000 electric consumers, request and urge that our U.S. Senators concur with the House action on H.R. 3 and

hasten the day when such bill will become a law on our Federal statutes. We unanimously feel that this is in the best interest of our members and the general welfare of the citizens of the great State of Missouri.

We strongly disassociate ourselves from the opinion voiced against the bill by Mr. Clyde Ellis, general manager of NRECA as shown by the CONGRESSIONAL RECORD. We further urge that the members of the Missouri congressional delegation disregard the statement against the bill for the reason that this entire matter had not been considered by the membership of NRECA before Mr. Ellis voiced his opinion.

Furthermore, we feel that such an expression by him without our knowledge and approval is not in the best interests of the rural electrification program.

Health Insurance Program for Federal Employees

EXTENSION OF REMARKS OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include my statement in support of a health insurance program for Federal employees, given before the House Post Office and Civil Service Committee on July 21, 1959:

STATEMENT OF CONGRESSMAN THOMAS J. LANE BEFORE THE HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE, IN SUPPORT OF A HEALTH INSURANCE PROGRAM FOR FEDERAL EMPLOYEES, JULY 21, 1959

Mr. Chairman, the Federal Government has been backward in providing the wages, and fringe benefits that are accepted as routine obligations throughout American industry. In fact, some corporations have voluntarily provided life insurance and health insurance programs for their employees because they understand the economics right of workers to these benefits, and because they know that such consideration for the welfare of their employees promotes the mutual confidence that inspires better morale and better efficiency.

A hospitalization plan for Federal employees has been studied—and restudied—for many years. Meanwhile, private industry has been moving forward with the times. Its prosperity has been paralleled by simultaneous economic and social progress on the part of its employees. But the turnover among Government employees continues at a disturbing rate that is both wasteful and inefficient. Why?

As Government employees compare their lot with those who work for private industry, they see all too clearly that their relative position is steadily deteriorating. They are discontented because they do not believe that the Government is being fair with them. While the Government marks time on studies, private industry is gradually improving the status of its own employees. There are many companies with lesser programs, but I will simply outline four of the best ones.

B. F. Goodrich Co. provides 120 days of hospitalization in a semiprivate room, and with a \$250 maximum for surgery; Minnesota Mining & Manufacturing Co., 140 days up to \$15, full cost of hospital services, with a \$300 maximum for surgery, Armstrong Cork Co., 180 days up to \$10, with further

provisions for additional care, and a \$200 maximum for surgery, American Sugar Refining Co., 365 days of hospitalization at full cost, with a \$300 maximum for surgery.

In each case, the company pays the full cost, not only for the employee, but for his dependents, and for retired employees and their dependents as well. The steel industry and the automobile industry have 50-50 contributory programs for their employees, and this is the formula contained in Senate bill 2162, which is called the health benefits program for Government employees.

The Federal Government is the Nation's largest employer. Under the terms of this bill, more than 2 million Federal employees, plus their dependents, would become eligible for the protection enjoyed by most of those who are employed in private industry. The Government will withhold from employees' salaries, and annuity checks, sums to be matched equally by the Government. The individual Government employee or annuitant, would pay \$1.75 biweekly. The Government employee with a family would pay \$4.25 biweekly.

Progress on this type of legislation has been delayed for many years due to sharp disagreements, but in S. 2162 we have a bill that has united the American Medical Association, the American Hospital Association, Blue Cross-Blue Shield, Federal Employee Unions, and group practice plans in support of it.

It is unfortunate that the bill as passed by the Senate does not cover presently retired Federal employees and it is my hope that the House will make provision for them. We are morally bound to do so because we cannot cast adrift those who gave the best years of their lives in loyal service to the Government, and have now reached the age where they have greater need of hospital, medical, and surgical protection.

Passage of this bill at this session will mark another milestone in our efforts to make employment with the Federal Government attractive and rewarding. Health insurance for Federal employees will be one of the most constructive pieces of legislation to be enacted at this session.

Washington Report

EXTENSION OF REMARKS OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. ALGER. Mr. Speaker, I include the following newsletter of July 25, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

As adjournment nears, some major legislative hurdles have yet to be cleared.

HIGHWAY FUNDS

The highway financing problem is twofold: (1) How to provide the money for work already contracted to pay our bills; and (2) to analyze and permanently correct the road program itself, to prevent progressively increased costs resulting from improper estimates of the known problems. To pay our current bills, we have but two alternatives—To raise taxes (for example, the proposed 1½-cent hike in gasoline taxes) or to spend money from the Treasury's general fund. Those of us who oppose any tax increase maintain stoutly that this is the same problem we face throughout Government. If we're to make ends meet, a careful and comparative analysis of all Government expendi-

tures is called for, so that we can eliminate the less necessary ones. On the second point, revising the road program itself, it's important to know why cost estimates have risen sharply in just 2 years—from about \$25 billion to \$37 billion. Some components: (1) A 12-percent increase in construction costs; (2) location of highways closer to cities and towns than originally planned, requiring more complex interchanges, additional lighting, etc.; (3) cost of relocating utility lines now figured 50 percent higher than earlier estimates; (4) wage setting by the Federal Government (Davis-Bacon Act) has added 5 to 7 percent to wage costs. Acquiring right-of-way has cost far more than anticipated, due to the 90-10 cost-sharing setup. After all, 90 percent of the dollars used by States and localities to buy right-of-way has been other people's money.

HOUSING

Once again the meritorious FHA insurance program is being held as a sort of hostage by those in Congress determined to jam through controversial spending plans for urban renewal, public housing, and the like. In an effort to escape disapproval of a budget-conscious administration, Congress lumped these programs together in an all or nothing package with the almost universally approved FHA programs. Rebuffed by a Presidential veto, which specifically called for a scaling down of urban renewal grants and no new public housing authorization (over 100,000 public housing units already authorized are as yet unbuilt), leaders in Congress are presently marking time, as FHA runs out of insuring authority. The odds are that there will be a housing act of 1959, but as in 2 of the last 3 years, it will be a rush-rush no time to argue affair presented during the closing hours before Congress adjourns. When the House last year refused to be stampeded in this manner, there was no omnibus housing bill at all. This time, however, the innocent hostage, FHA, would be out of business.

LABOR

There will undoubtedly be a labor "reform" bill of sorts, simply because few legislators can afford to return home without having voted for something in this field. Despite avowed labor opposition, just what "reforms" the Senate-passed Kennedy bill would accomplish are hard to imagine, and the bill approved by the House committee this week is a decidedly weakened version of the same thing. Floor debate, still weeks away, will see several substitute bills with some backbone offered. By "backbone," I mean at least provisions which: (1) Safeguard workers' money in union treasuries; (2) guarantee every man, worker or employer, his day in court by eliminating no man's land gap between Federal and State law; (3) protect rank-and-file members by guaranteeing democratic procedures in unions and prevent reprisals against members by union officers; and (4) outlaw the indefensible use of secondary boycotts and blackmail picketing.

FOREIGN AID

The mutual security authorization has already passed; but we have yet to appropriate the money. I can imagine few Congressmen who could be said to be for or against foreign aid, as such. Many of our military assistance programs are wholly justified, and that's true, too, of some ventures in the field of purely economic aid. In the broad ideological struggle going on today, however, I'm at a loss to know why U.S. taxpayers should have to help finance the undertakings of Communist governments (as in Yugoslavia and Poland) and to subsidize Socialist experiments of others the world over. Moreover, to assert that the requested amount is the rockbottom figure acceptable is to ignore innumerable reports by the Comptroller General and others who have pointed out appalling waste and mismanagement in the

program. Like the housing bill described earlier, it comes down to how much outrageous boondoggle one is willing to accept in order to continue other admittedly good programs. For one, I'm convinced the foreign aid appropriation can and should be pruned considerably.

CIVIL RIGHTS

Another rights bill is in prospect, though the Commission set up by the bill passed 2 years ago is still gathering information on which to proceed. The necessity for going any further now strikes me as entirely political. Bailed in their drive for more free-spending Government welfare programs, many of the superliberals feel they can't go home without a liberal record of accomplishment. The papers have been full of their dissatisfaction with the majority leadership. They feel another rights bill is a minimum must. No one has yet defined or specified the rights we're supposed to be protecting, but apparently Congress is going to protect them more stringently.

Health and Hospitalization Program for Federal Employees

EXTENSION OF REMARKS

OF

HON. RALPH J. RIVERS

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. RIVERS of Alaska. Mr. Speaker, the health and hospitalization program for Federal employees now under consideration by the House Committee on Post Office and Civil Service is particularly significant to the people of my State of Alaska. I commend S. 2162, the so-called Neuberger bill, which recently passed the Senate by an overwhelming majority, and its House counterparts introduced by Members of this body.

The fact that S. 2162 and related bills have the support of the American Medical Association, the American Hospital Association, the insurance industry, Blue Cross and Blue Shield, group practice plans, and the various Federal employee unions certainly speaks for the quality of the bill. In fact, it might be said that this bill is well worth the many years it has taken to produce it.

As I view the bill, it is a most significant piece of legislation. If enacted, Federal employees would at long last achieve the status already enjoyed by about 100 million employees of private industry who are now covered by various prepaid health insurance plans. In short, it will mean that about 2½ million American citizens, plus members of their families, will be able to have low cost effective medical insurance.

Alaska, because of its former territorial status, has long had more than the usual proportional number of Federal employees, most of whom will remain in the expanding Federal programs to be carried on in our rapidly growing new State. These people have been good for Alaska. They helped it grow in stature to the point that statehood became a reality. I am particularly glad that these fine Alaskans and their families—be they employees of the executive, judicial, or legislative branches—would be

afforded the opportunity of partaking in any one of the three low-cost plans which this legislation provides.

Banks, Interest Rates, the Public Interest

EXTENSION OF REMARKS

OF

HON. GERALD T. FLYNN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. FLYNN. Mr. Speaker, in 1929 a depression that lasted 12 years started in this country. It affected the life and well-being of every American citizen. Whether bankers, stock manipulators or others would admit it or not, Federal Reserve Bank operations and the contraction of credit had much to do with the cause of that depression. These banks were free; they were independent of Government control—yet 4 years after the start of the depression, many of them lay prostrate, victims of the depression for which their own policies were to a great extent responsible. A bank holiday was declared and although they were free of Government control, they were not opposed to accepting Government help in order to continue in business. Congress hurriedly passed special laws to aid the banks. The Federal Deposit Insurance Corporation was organized in order to create confidence in the public in our banking institution and in order to protect depositors' money in the future. Many banks, even with this help, were forced out of business or operated under receiverships for a long period of time. In many cases depositors lost money.

The Chairman of the Federal Reserve bank today is pursuing the same policies, with some variation, that led up to the 1929 depression. In the June 15 issue of U.S. News & World Report, Chairman Martin, of the Federal Reserve Board, told the world that he was going to tighten the supply of money and make everyone, the U.S. Government included, compete on the money market for an insufficient supply of money. He is going to let the interest rate go up and up and up, and if as he says, this means unemployment—another word for depression—he will accept the unemployment. If it means business failures or as stated failure to the least economic businessmen, that is a result he will accept. This is another way of stating that if the small businessmen of the nation are forced into bankruptcy, that is a result he will accept. The Chairman of the Federal Reserve bank and its Board are not responsible to the will of Congress, and Congress, without the passage of legislation amending the Federal Reserve Act cannot impose its will on the policies of the Federal Reserve Board. The bank is jealous of its independence of Congress and has made this crystal clear in many ways.

The President of the United States appears to be in favor of the policies of Chairman Martin and the directors of

the Federal Reserve bank and has joined the Federal Reserve bank in asking that the interest rate on long-term bonds be increased. The existing increase is already costing the taxpayers in added interest, \$6 billion a year. This amount will, in all probability, be doubled if the interest rate is removed from the Federal long-term debt. Do you want this to happen? Do we represent them and are we thinking of the people back home, or do we represent those who would give in to the demands of the Federal Reserve bank?

Is it inflationary to increase the interest rate on the public debt? I believe it is the most inflationary thing that this country could do. It will carry along a corresponding interest increase on the private debt. The private interest increase is already \$13 billion, meaning that on the public and private debt \$19 billion additional dollars annually is being paid, over what was paid before the interest rise commenced.

Are we, as Members of Congress, going to represent the interests of the people back home or are we going to represent the interests of the bankers and money-lenders in voting for an interest increase?

Hoosier Watermelon To Be Brought to Capitol

EXTENSION OF REMARKS

OF

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. BRAY. Mr. Speaker, I have the pleasure to announce to my colleagues a forthcoming treat. From the experience of the past 2 years, I know they will be glad to know that the day of the Indiana Watermelon Festival is approaching again. The best watermelon in the world is grown in southwestern Indiana. And, again, through the courtesy of the Southwestern Indiana Watermelon Growers Association, and the cooperation of the Baltimore & Ohio Railroad, we will serve Hoosier watermelon in the House dining room on August 6.

At that time I will be playing host to the Indiana Watermelon Festival Queen, who will come to Washington after her inaugural at Vincennes, Ind., on July 31. She will be my guest in the dining room that day, so we will offer you a treat for the eyes as well as the palate.

The watermelon was first grown commercially in Indiana about the turn of the century in Knox County. A typical summertime scene thereafter was wagons drawn by mule teams coming into Vincennes loaded with ripe melons to be sold house to house. In the early 1900's, one of the first melon growers began to broker the melons raised by his neighbors. The production soon outstripped local consumption and the melons were shipped by rail to Indianapolis and elsewhere.

The industry has grown in southern Indiana into a million-dollar business, encompassing 8,000 to 9,000 acres of watermelons and 3,000 to 4,000 acres of cantaloups. The production of seedless watermelons is also receiving increased attention in the State. In addition, millions and millions of melons headed for northern markets are brokered through the historic city of Vincennes.

With this special gustatory delight we will salute the third annual Indiana Watermelon Festival and the growers of this important Indiana product.

Limitation of Power of States To Impose Income Taxes on Certain Income

EXTENSION OF REMARKS

OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. CURTIS of Missouri. Mr. Speaker, I introduced today a bill to limit the power of the States to impose income taxes on income derived exclusively from the conduct of interstate commerce.

Senators BUSH and KEATING have introduced an identical bill in the Senate. It is intended to eliminate a chaotic condition created by a recent decision of the U.S. Supreme Court which held, by a 6 to 2 vote, that the commerce clause of the Constitution of the United States does not prevent a State from taxing a foreign corporation's net income derived from sales within that State even though such transactions are exclusively in interstate commerce.

The decision, handed down February 24, 1959, in the cases of *T. V. Williams* against *Stockham Valves & Fittings, Inc.*, and the *Northwestern States Portland Cement Co.* against *Minnesota*, has thrown the commercial world into confusion. Businessmen are apprehensive that they may be forced to pay income taxes in every State in which they sell their goods. It has opened up a Pandora's box of difficulties and harassment for all businesses, especially the smaller ones. It will take lengthy study to determine its full implications. There can be little doubt, however, as to the serious implications which the decision holds for firms engaged in interstate commerce who now, in each State to which they ship goods, find themselves open to possible liability for income tax levied by that State on profits derived from sales attributable in some fashion to that State. Hitherto, such firms had come to expect that such profits were not taxable by a State unless the firm was engaged in intrastate business or otherwise legally domiciled therein. Also, there is the very serious possibility of double taxation of profits from the same transactions.

In the application of the Supreme Court decision we find that the mere fact that a company sends a salesman into a particular State for the solici-

tion of business may subject that company to income taxes by that State.

My bill is designed to provide at least a partial remedy. It is not a total solution to the problem but it will, if enacted, afford relief to those companies engaged in interstate commerce whose only activity in other States is sales solicitation and where no stock of goods, plant, office, warehouse, or other place of business is maintained therein.

I feel that the bill is of sufficient urgency that the House make a special effort to bring it to a vote in this session of Congress.

The bill is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, after the date of the enactment of this Act, no State, or political subdivision thereof, shall have the power to impose a net income tax on income derived by a person exclusively from the conduct of interstate commerce, solely by reason of the solicitation of orders in the State by such person, or by an agent or employee of such person, if such person maintains no stock of goods, plant, office, warehouse, or other place of business within the State.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. ALGER. Mr. Speaker, I include the following newsletter of July 18, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

A PREVIEW OF SOCIALIZED MEDICINE

H.R. 4700, the Forand bill, would again increase social security taxes (already scheduled to double during next 10 years) and extend hospitalization, nursing-home care, and surgical service to recipients of social security benefits. The prospect of socialized medicine is no less controversial now than before. Many arguments have been presented for and against. I find little to commend compulsory health insurance and much that condemns it. Therefore, I shall present the arguments of witnesses against the Forand bill, which, in total, comprise an overwhelming body of material to discredit such compulsory health insurance, even though any one or a combination of these arguments themselves could be eliminated from consideration, according to each individual's judgment.

Constructively, there are far more sensible alternatives, some now in effect, to provide medical care for the aged. These include the rapid growth of progressively better voluntary health insurance plans. The present State and local public assistance programs already provide free care for those unable to pay. Those on State welfare rolls and the "medically indigent," while a community problem, hardly justify a vast compulsory insurance program covering all of those over 65 on OASI. Of the 15 million people over 65 today, 6 million are excluded under this bill, since they are not eligible for social security; 9 million others are already covered under voluntary medical pro-

grams. This leaves about 3 million individuals who might benefit from H.R. 4700. True, new and better insurance plans need to be developed, not nullified and killed by Federal compulsory insurance, alongside which no private plan could survive. Better medical care is more certain to result from the normal incentives of free society than Government regimentation and compulsion.

Specific criticisms include:

1. Compulsory Federal insurance will kill voluntary insurance programs, an irreversible step.
2. The Forand bill does not cover those who need medical help, but only those over 65 now covered by OASI.
3. The cost of this program is not known, though estimated to be between \$1.126 and \$2.3 billion per year at the outset, then going up.
4. As the HEW report states, "The existence of a problem does not necessarily indicate that action by the Federal Government is desirable."
5. Those now over 65 immediately will receive medical care free, without any contribution, the cost charged to wage earners of the future.
6. Since no needs test is included, those not wanting this Federal insurance will be forced to accept it and pay for it.
7. Health problems of the aged are varied, while this plan would provide for but a few of them.
8. The Forand bill is a "foot in the door," its expansion necessarily will follow, only because of its own inequities; the age requirement will be removed; all those covered by OASI will be included; and finally all citizens, for complete socialization of medicine.
9. The alleged free choice of the Forand bill is a misnomer: (a) There is no choice whether or not you want this compulsory health insurance or whether you pay, and (b) there is no freedom of selection of doctors, hospital and nursing facilities, only a choice of those presented to you. This is not a free choice.
10. If medicine is socialized then other services and industries will be socialized.
11. There is no "right" to have free medical care, food, clothing or other necessities (unless the voters so choose).
12. Medical and hospital care is now available to those who need it and cannot afford to pay.
13. The story of Federal control and regimentation is this—Federal administration, certification of doctors, hospitals and nursing homes, fixing of fees and costs, promulgation of regulations, and enforcement with fines and jail sentences. These total socialized medicine without recourse.
14. The search for better insurance plans and medical care will also be discouraged by Federal regimentation.
15. Diagnostic service, internal medicine and other forms of medical aid are not covered by the Forand bill, thereby creating an inequity.
16. Where health facilities and services are provided free of cost, a tendency can be expected toward excessive utilization resulting in overcrowded facilities, malingering and indigency, the normal human reactions (the end result—poorer medical care). Britain's socialized medicine can teach us the lessons we need to know about the unhappy effects of socialized medicine on all the people, lessening the quality of medical care. Let us benefit from their experience.
17. A Government program normally follows this pattern: The cost is underestimated and the Government overcommits itself in extending service.
18. No Government program is justified until the voluntary plans have been found inadequate.

19. No Federal legislation should be forthcoming until the findings of the White House Conference on Aging in 1961 are known and studied.

20. And many others. The great overriding danger in the consideration of a compulsory Federal program is always the same. Does the recognition of a "need," in this case that sick people need medical, immediately presuppose a Federal solution. I suspect that politicians are afraid that "being against the proposed Federal legislation" will be confused in the voters' minds with "being against the need itself," in this case helping the aged getting medical care.

Increasing Textile Imports, a Threat to Domestic Cotton Producers and U.S. Textile Industry

EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. OLIVER. Mr. Speaker, the Secretary of Agriculture has under consideration at present a request for administrative action which could lead to a solution of the problem besetting the Nation's textile industry.

The problem, as you know, concerns the uncontrolled imports of textile fabrics and garments that exert a depressive influence on an important but declining domestic industry.

There is no need for me to recount the statistical proof of the adverse effects of imports on the industry. That was presented last year before the Interstate and Foreign Commerce Committee of the U.S. Senate during a special inquiry. The facts of the case prompted the committee to make certain recommendations for remedial action.

One of the recommendations called for the establishment of quotas by specific categories for textile products. The purpose was to enable foreign producers of textile products to sell in our markets within limits which will not further endanger the existing capacity of the domestic textile industry.

This, in my opinion, is a realistic and reasonable position. It certainly does no violence to our national policies of stimulating world commerce, of helping our friends in the free world, and keeping our economy sound.

The quota recommendation can be implemented either legislatively or administratively. Inasmuch as Congress already has provided the machinery through which quotas can be established by administrative action, this machinery should be used.

We are reminded that when the Congress enacted the Agricultural Adjustment Act of 1933, to help the Nation's farmers attain a measure of stability, provisions were made to protect the programs and keep them effective.

One such provision enabled us to control the imports of farm commodities and products thereof. Not only was it deemed desirable, but also imperative.

We were intent on supporting the earnings of our own farmers, not those of the entire world. There had to be a limitation, and the limitation was expressly provided.

Section 22 of the act was used to limit the imports of American upland type of cotton to about 29,000 bales annually. It was determined that imports in excess of that figure surely would impair the program under which the American-grown cotton crop could be supported. For more than 20 years such a quota has been in force. The raw cotton import quota arrangement serves also to protect another farm program, the one under which U.S. raw cotton may seek its traditional share of the world market.

As we all know our cotton price-support program produced a situation in which American cotton was priced out of the world market. Cotton production elsewhere in the world expanded explosively and began meeting world needs while cotton surpluses mounted here at home. We then close to subsidize cotton exports and once again American cotton began moving abroad.

Much of this cotton, however, has been returning to this country in the form of textiles, the amount last year reaching a figure more than ten times greater than the amount of raw cotton which is regarded as interference with our farm programs.

It appears crystal clear to me that if our farm programs can be imperiled by the imports of X bales of cotton, they certainly are imperiled by the imports of 10 times X, whether the cotton is in bales or in the form of textiles.

Right now, however, we are on the eve of increasing still further the amount of the subsidy on raw cotton exports. The Secretary has decreed that on August 1 the subsidy will be boosted from about 6½ to 8 cents on every pound of American cotton sold abroad.

This means that the disparity between the price American textile mills must pay for American cotton and the price to their foreign competitors is widened further.

Mr. Speaker, is it any wonder that some of us raise the issue of fairness?

It is significant that the request pending before the Secretary was initiated by the National Cotton Council, the only organization in the country which represents the cotton growers, the ginners, the merchants, the warehousemen, the cottonseed crushers, and the cotton spinners. It speaks for our cotton industry as a whole.

This organization recognizes that the domestic textile industry is the victim of an unfair situation. And the council in its petition said:

The strong feeling which is being engendered by this unfairness will inevitably work injury to U.S. cotton. It undermines the confidence of the textile manufacturer in the integrity of cotton as a source of raw material supply, and it tilts his thinking in the direction of the synthetic fibers as he makes the long-range plans and commitments which will determine how much cotton is used in this country in future years.

Mr. Speaker, the Secretary of Agriculture is being asked only to recognize the situation as it truly is. Once he faces up

to it, he is required to so advise the President. Under the law, the President can then call for the Tariff Commission to make an investigation and come forward with recommendations.

It is my feeling, and that of many of my colleagues, that a thorough investigation of the cotton import problem can lead only to recommendations for a quota arrangement on cotton textile imports.

It is my hope that the Secretary will take the first steps in this direction.

What Is Wrong With the "Double Dip"?

EXTENSION OF REMARKS

OF

HON. STEVEN V. CARTER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. CARTER. Mr. Speaker, I have introduced in the House a bill which proposes to repeal the present provisions in our laws which prohibit a retired military man from being employed by the Federal Government if he receives retired pay. This bill is prompted in large measure, of course, by the hearings presently being conducted before the Hébert subcommittee.

There will undoubtedly be extensive information and recommendations forthcoming as a result of the Hébert hearings bearing on this matter of civilian employment of retired military personnel by military contractors. I, of course, will reserve any opinions on the propriety of this matter until such time as the subcommittee makes its report. However, I would state at this time that it seems rather unfair to be critical of retired military personnel who enter civilian employment when the Government has laws in force which prevent them from making their services available to the Government. A number of these officers, some of them who retired with the rank of general, have stated that they would have preferred Federal employment to civilian employment, had a choice been available to them. Needless to say, their services would undoubtedly have been of great value to the Government due to their broad background of knowledge and experience in all phases of the military service and governmental activity.

During this time when our Government definitely needs the very best talent it can get, it seems rather shortsighted to prevent the full utilization of the capability of some of our most able professional, technical, and managerial people after they leave the military service.

This, in brief, Mr. Speaker, is the theory that lies behind the introduction of this bill. I fully realize that amplifying legislation will probably be in order upon the conclusion of the Hébert subcommittee hearings, but I definitely feel that the repeal of present statutes prohibiting the so-called double dip will be a vital step in corrective legislation and will also make available to the Federal

Government some very capable personnel whose services would be of tremendous value.

The text of the proposed bill is as follows:

A BILL TO REPEAL THE DUAL EMPLOYMENT LAWS INsofar AS THEY ARE APPLICABLE TO RETIRED MEMBERS OF THE ARMED FORCES

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 212 of the Act of June 30, 1932 (47 Stat. 406; 5 U.S.C. 59a), as amended, is repealed.

Sec. 2. Section 2 of the Act of July 31, 1894 (28 Stat. 205; 5 U.S.C. 62), as amended, is amended to read as follows:

"Sec. 2. No person who holds an office the salary or annual compensation attached to which amounts to the sum of \$2,500 shall be appointed to or hold any other office to which compensation is attached unless specially authorized thereto by law. This section shall not apply to retired officers, warrant officers, or enlisted men of the Army, Navy, Air Force, Marine Corps, or Coast Guard."

Sec. 3. Section 7 of the Act of June 3, 1896 (29 Stat. 235; 5 U.S.C. 63) is repealed.

Sec. 4. The proviso in the paragraph under the center heading "Bureau of the Budget" in the Act of February 17, 1922 (42 U.S.C. 373), is repealed.

For Air Safety Stop Serving Liquor Aboard Planes in Flight

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include my statement before the House Interstate and Foreign Commerce Committee on July 28 in support of my bill, H.R. 169, to prohibit serving of alcoholic beverages to passengers on aircraft in flight:

Mr. Chairman and members of the committee, to those who have never been up in a plane, and their number is diminishing daily, a visit to a major airport makes an impression that they will never forget. This is the gateway to the new world of air transportation that is developing with such speed, volume and complexity that the air is no longer free. Air traffic has already reached such proportions that strict discipline is required through inspection, regulation and control to insure the safety of planes and passengers.

Every big airport is suffering from growing pains. The crowded terminals, and the planes that are sometimes stacked in the sky waiting for room to come in, bear witness to the phenomenal expansion of the air transportation industry.

With the advent of faster jetliners, the need of further precautions for the protection of plane crews and passengers becomes urgent. It is the paradox of our times that, with the improving quality and dependability of machines and instruments and guidance systems, the incidence of human miscalculation or failure seems to increase.

In the realm of air transport where State boundaries are invisible and where an overwhelming percentage of the flights are interstate, and international, it is the responsibility of the Congress to recognize the

obvious dangers (within the airspace of the United States), and to pass those laws which are required in the interest of public safety.

Aviation experts agree that, in spite of all the amazing electronic equipment presently in use, the safety of planes especially in the vicinity of airports, depends upon the eyes, the reflexes and the judgment of the human being who is not an automatic pilot. Even under the best of circumstances, this demands a high degree of concentration and a sure skill. His efficiency would suffer if his attention were divided by distractions and dangers in the passenger cabin behind him.

Air discipline is an important factor, and there are solid reasons for it. When a plane is about to take off or land, and the sign in front of the passengers lights up with the warning: "No smoking. Fasten safety belts," responsible people obey. The stewardess makes a further check to make certain that no one forgets. This is no place for anyone not in his right senses, who rebels against restrictions and insists on having his own way in defiance of all safety measures.

Even though these two requirements are not in effect when a plane is airborne and on course, except when the weather is stormy, or flying conditions are rough, the inside of a plane at 7,000, 12,000 or 20,000 feet above the earth is no place for any rock and roll conduct on the part of inebriated passengers.

As far back as August 21, 1955, I asked the airlines to discontinue the practice of selling alcoholic beverages to passengers on aircraft in flight. I thought that the airlines should be given the opportunity to abandon this dangerous custom, by voluntary agreement among the various carriers. Over 3½ years have passed since then without corrective action by the airlines or the Civil Aeronautics Board. I think that they have been given sufficient time to do something about this problem. Their failure to do so leaves us with no alternative but to pass a law that will forbid this practice.

I do not base my argument in support of this bill merely on my own observations as a patron of the commercial airlines, or on the testimony of airline officials, or members of the regulatory agencies. I consider it most important that those most directly concerned with the safety of a plane, the crew members themselves, took the initiative in requesting this legislation. It is they who must contend, not with a theoretical possibility, but with actual, disagreeable, and dangerous incidents caused by passengers whose irresponsible behavior is due to the alcoholic drinks they have been served while the plane is aloft.

The Airline Stewards and Stewardesses' Association, and the Airline Pilots' Association have called for an end to this commercial airline policy, involving the major domestic carriers, of serving liquor to the passengers. It is difficult to understand why the airlines, that are so scrupulous regarding every other safety factor, are so careless regarding this one. In fact, by serving liquor, they encourage the unpredictable behavior of drunken passengers. This could lead some day to the inevitable tragedy that would have been prevented by the legislation which I propose today.

Many old people, the children, and sometimes infants are passengers on today's airlines. Their right to every reasonable protection is paramount, as even the indulgent few (to whom the airlines cater with bartender service) would admit in their sober moments.

Liquor has its place, but it should not be served aboard public carriers up in the clouds where customers, deranged by drink, could be the cause of a major air tragedy.

I earnestly submit that Federal legislation to prohibit the serving of alcoholic beverages to passengers on aircraft in flight, as

called for in H.R. 169 which I have introduced for your consideration, be recommended by this committee, for the safety of the millions who travel by air.

Blaine's Diamond Jubilee

EXTENSION OF REMARKS

OF

HON. JACK WESTLAND

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. WESTLAND. Mr. Speaker, among the communities in my district of Washington State that are celebrating key dates in their histories is Blaine, which is 75 years old. I want to take this opportunity to point out the importance of this celebration and the hard work that is being done to make it a success.

The city of Blaine is situated at the Canadian border where there is an arch bearing the words, "Children of a Common Mother." It is fitting, therefore, that Blaine is known as the Peace Arch City and that each year thousands of adults and schoolchildren from the United States and Canada meet on common ground at the arch to commemorate the 145 years this boundary has existed without border guards.

It is fitting, also, that Blaine's Diamond Jubilee will be celebrated in conjunction with the annual Peace Arch celebration. The Peace Arch parade on Sunday, August 2, will herald both the jubilee and celebration. The parade will end at the Peace Arch, where Miss Jeanne Sewell, 15, of Langley, British Columbia, and Merle Overland, who was graduated from Bellingham High School this year, will deliver the traditional student speeches.

President Eisenhower's personal representative to the Peace Arch celebration will be the Honorable Richard B. Wigglesworth, U.S. Ambassador to Canada. Following his address, the student speakers will receive Rotary Club plaques for their schools.

During the week of August 2-9, Blaine will have an historical pageant, daily program, street dancing and a spectacular fireworks display. On August 8, the diamond jubilee parade will pass through Blaine's streets. Our neighbors from British Columbia will contribute military marching units, floats and drill teams will join in the festivities.

Mr. Speaker, hundreds of Blaine residents have contributed many hours of hard work to make this week-long celebration one to remember. It would be impossible to name every person who has contributed so much, but I shall name those who have been entrusted with the leadership and administration of both the Diamond Jubilee and the Peace Arch celebration.

President of the International Peace Arch Association is Miss Nellie Browne Duff. Committee chairmen include Dr. Theodore J. Rasmussen, Clarence M.

Beal, Joe Imhof, Mario Pagano, George Marus, Walter Grant, Ted Hovde, Herbert Viereck, Roy A. Howard, C. T. Gardner, Jerry Thorne, Mrs. Marvel Smith, Mrs. Harold King, Mrs. Walter Collins, Mrs. Leila Kagey, and Capt. Walter Hunter.

Members of the Diamond Jubilee are Mel Hollinger, general chairman; Fred Kerns, Mrs. Lance W. Dillworth, Robert Bainter, and Richard A. Nelle. Division chairmen include Al Dohner, Randy Ramstead, Wayne Parrish, Gertrude Goodman, Vernon McDonald, Wynn Haws, Harold Dodd, Bill Hay, and Tra-verse Skallman.

Mr. Speaker, the history of Blaine is filled with stories of industry and courage. The citizens of this border community can be proud they reside and work in such a beautiful, growing city, and I predict they will continue to bring prosperity throughout the years to come.

Spending, Inflation, and Communism

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. PHILBIN. Mr. Speaker, there are definite signs of a public awakening to the realities and dangers confronting the country as a result of the dual threat of communism and governmental spending at every level.

Day by day, the American people are showing increased interest in and awareness of the menace of communism and inflation and the sad fact of increasingly excessive public spending.

While we must constantly be on guard to prevent the possibility of armed attack, and to serve the paramount need of safeguarding the national security, it would be a supreme folly indeed to ignore the possible, disastrous effects of huge spending programs, lack of economy and efficiency in Government, and the ghastly damage that could come to our free enterprise system and the well-being and prosperity of the American people from runaway, unregulated inflation.

Communism and public spending are twin specters lifting their ugly heads in the body politic threatening our way of life. They are related factors in our current national posture, since inflationary pressures further diminishing the purchasing power of the dollar, increasing the cost of living, and bringing hardship to millions of Americans could conceivably produce social conditions in this country which might easily give rise to radical theories of government and vigorous demands for revolutionary organic changes in our entire system.

The plain facts of financial, fiscal, and economic developments in the Government during the past few years give rise to great concerns. The national budget for the fiscal year just finished was unbalanced by more than \$13 billion. The

steadily rising cost of Government and living has produced understandable anxiety among all thoughtful people.

It is clear that current trends must be checked if we are to have any real hope whatever of stabilizing economic and social conditions, of bringing down the high cost of living and putting the fiscal affairs of government on a sound basis.

Over a period of years, annual appropriations and expenditures have been steadily rising until today, they have reached the highest peacetime peak in history. The general public has become very much disturbed and is sending a barrage of protests to Members of Congress and the executive branch, urging a return to sound principles of economics and prudent budgetary and financial policies—an end to improvident spending wherever it exists.

In recent days and weeks, I have received many communications from my constituents and other people pleading for economy, efficiency, and stability in the Federal Government. Frankly, I have believed for a long time past, and have sounded warnings on numerous occasions, that unless we found ways and means to balance the budget, reduce the national debt, decrease onerous taxes and declare war on extravagance, waste and unnecessary spending that we would be unleashing in this Nation a frightful monster that would possibly cause the most disastrous consequences for the Government, the economic system, and the people.

Many factors have been responsible for this situation and I shall not attempt to assess the blame for current conditions. For several years we have been under great national stress and strain and in the midst of one crisis after another. First, we had a great World War II, which was tumultuous and bloody, and extremely costly in terms of wealth, property, and human lives.

In the aftermath of this war, we had many extremely difficult problems to solve. We were faced at once with the machinations of world communism preying upon hundreds of millions of helpless people wracked by industrial and economic stagnation and hunger and pestilence.

It was necessary for us to try to combat these forces.

Whether we did so intelligently and wisely is a question that I have discussed on other occasions.

No doubt, many of the policies we pursued and many of the things that we did either caused or contributed to the severity of the very serious problems confronting us on the world scene.

For example, while the overall program of foreign aid was commendable and necessary at the time and could have been wisely and prudently directed, our Government over a period of years passed out huge sums of taxpayers' dollars in an imprudent, wasteful and extravagant manner. This has been an administrative nightmare.

At the same time, in our zeal to promote lasting peace, we appeased and compromised with those who were conducting Communist conspiracy, aggression, infiltration, social disturbances,

violence and wars in many parts of the globe. This policy of appeasement and compromise was continued through the Korean war and even thereafter. Our spending policy overseas became more lavish and grandiose and billions and billions of dollars were spent without proper audit, checks and balances, and suitable accountability for either need or expenditure.

Consequently, it was a happy circumstance that during the period between 1947 and 1952 when this lavish spending was running at a high rate and the Korean war was on that we were able to balance our budget at any point, let alone pay off \$3 billion on the national debt which we were able to do. Yet that was done during those years.

When we consider that this period covered the costly Korean war, it is all the more remarkable that we were able to make such a substantial payment of more than \$3 billion on the national debt, and I think we could all agree that President Truman and his administration deserve to be commended for the fact that they were able to make such substantial reductions of the national debt during that time.

Since that time, however, for one reason or another, mostly because of the rising costs of defense and national security and the increased cost of General Government, the national debt has vastly increased by many billions of dollars—well over \$20 billion. This at a time when Government revenues had increased over the previous period mentioned between 1949 and 1952 by more than \$152 billion.

When I cite these figures, I feel a sense of frustration and helplessness before the furious pressures of super-spending and improvidence which are causing budgetary deficits and alarming inflationary effects.

There is only one answer to my mind that this Congress can give to these very challenging current fiscal and financial problems and that is to make even greater efforts day by day to install in the Government that degree of prudence, economic management, and administrative efficiency which will, if diligently and vigorously pursued, promote huge annual savings for the U.S. Treasury and for the harassed and long-suffering taxpayers.

I think that the Congress has been deeply impressed by recent popular reactions demanding a balanced budget, demanding reduced taxes, demanding reduction of the national debt, and demanding war on inflation.

Of course, there are some areas in which until international tensions subside, Congress cannot safely make substantial cuts. There are, while strict economy is required, essential services of defense and General Government that must continue, some of them perhaps with even increased tempo.

Defense, of course, is basic and we cannot cut back at the expense of national security. The regular Government services must be prudently maintained to keep pace with economic, social, and cultural progress. All kinds of new developments and demands incident to growth, change and readjustment are

taking place. We cannot afford to turn our backs on the inevitable progress of the Nation nor can we ignore the needs of the fabulous space age.

But we can and must dedicate ourselves these days with all our hearts to the urgent tasks of bringing expenditures into balance with revenue, to eliminate needless, wasteful appropriations, of standing squarely and unequivocally for every possible measure of economy and efficiency in Government affairs.

We cannot always eliminate many appropriation items entirely, but we can always insist that the moneys appropriated are appropriated thoughtfully, spent judiciously, checked and accounted for wisely, and that none of the taxpayer's hard-earned money paid into the Federal Treasury is wasted or imprudently expended.

It is my deep concern that, notwithstanding the attitude of the Treasury and even some Members of Congress, that this Congress must reduce current onerous taxes on our citizens and on business. There should be reduction this year, in my opinion, to lift some of the heavy burdens from the backs of the people and to give enterprising businessmen, especially the small businessman who needs it so desperately, the fresh opportunity and new encouragement to tackle their current problems and expand their activities and try to put their business on a satisfactory income-producing basis.

I realize that there are many Members of Congress who do not favor tax reduction this year, and I highly respect their views even as I disagree with them. It is my opinion that if taxes were reduced, greater impetus and encouragement would be given to business, our cherished high American standard of living would be reinvigorated against present crushing taxation of the people and thus, the economy and the people as a whole would be better off.

As a consequence, I believe that Government revenue would materially increase enabling the balancing of the budget. I personally do not believe that petty considerations of politics should be allowed to enter the settlement of these vitally important issues. The present situation in all its aspects, foreign, domestic, social, and economic, is far too serious to permit the presence of partisanship in matters which affect the destiny of this Nation and free mankind.

Both President Truman and President Eisenhower have shown ability, courage and patriotism in tackling the weighty and very challenging problems of their respective administrations. The problems facing the President and facing the country and the world today are truly stupendous and incalculable.

Digging up financial and political skeletons of the past and present will not provide a solution for our present plight. Only a vigilant, determined Congress and a cooperative executive department, working unitedly and wholeheartedly without regard to partisan political objectives, can effectively tackle and ultimately solve the great financial, political, and economic problems that

are confronting the Nation and the world today.

I hope that we will have that kind of sincere cooperation and that kind of wholehearted joint effort, that wholesome collaboration between all great branches of the Government that is needed, if we are to check ruthless communism and dangerous inflationary trends and insure the unquestioned financial soundness and economic stability of the U.S. Treasury and the Nation.

The elimination of waste and extravagance and the curbing of lavish spending is one of the greatest problems before the country today. It is up to the Congress to tackle it, thus insuring a sound Government and real prosperity for the entire country.

The best defense against communism, high prices, and inflation is a sound dollar, a balanced budget, a reduced national debt, lower taxes for the American public, and efficiency and economy in the Government.

Is there any valid reason why Congress cannot work for these objectives? I think not, and I believe we must do so.

Banks—Interest Rates—The Public Interest

EXTENSION OF REMARKS OF

HON. GERALD T. FLYNN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. FLYNN. Mr. Speaker, 5 years ago, the Government sold 1-year notes at an interest rate of 1½ percent; now it is paying 4¾ percent. It is predicted that the rate will go to 5 percent in the near future.

The interest rate of the Federal Reserve bank was recently increased from 3 to 3½ percent. It is said that the date has already been set for the Federal Reserve bank to raise the interest rate from 3½ to 4 percent. This is only a few months away. Interest rates for private and commercial borrowing are rising. Interest rates to municipalities are rising. The Treasury Department is paying \$6 billion a year more at the present rate of interest to finance the public debt than it did a year and a half ago. The Treasury Department is asking to have the interest ceiling removed which would result in added interest of at least \$6 billion more.

David Lawrence, in his column of last week, stated that the Democratic Party Members in Congress are blocking this action. I am proud to be one of those Democrats. Interest rates on mortgage money for home building now requires higher interest rates and it is going higher. This can bring the building boom to a sudden stop and cause great unemployment and a turndown in the building industry. Many banks are already charging 7 percent interest on private loans. Increases in wage rates are being demanded to meet increased

costs. This Congress is being asked by our Chief Executive to feed the present inflation by authorizing an increase in the public debt interest rate.

The Chief Executive has made no patriotic call to the citizens to use their savings to purchase Government bonds. The bankers and moneylenders are benefiting from the added interest. They are giving nothing additional in services or commodities for the extra money they are receiving. The high interest dollars paid to them are inflationary dollars. The Federal Reserve Bank is increasing the interest rate to its member banks. The effect is an increase in the interest rate throughout the country. The Federal Reserve Bank is insisting that all people compete with each other, with the Federal Government and with municipalities for an insufficient supply of money in the money market. The only result can be that many people will be unable to get needed money for their business or personal needs. This may well result in business failure and bankruptcy on a wide scale and the present boom can turn into a bust. It was only a short time ago that here in Congress we were worried about a depression. Now we seem to think that prosperity is here to stay.

While we talk about prosperity, we still have many unemployed. We have depressed areas and the depressed area list continued to grow rather than get smaller. We well know that if it were not for the \$40 billion defense program that there would be more depressed areas in this Nation. The income of the farmer is many billions of dollars less than it was a few years ago and many farmers are finding it impossible to continue their operations. Small farmers and businesses across the country are being forced out or are being absorbed through mergers with larger concerns.

The people back home in our districts realize these facts while we here in Washington are told about the great prosperity that exists. We here in Washington are asked to feed an inflation in the face of these facts by permitting higher rates of interest to be paid by our Government to the tune of \$6 billion a year. I say that the people of this country are opposed, in overwhelming numbers, to the interest increase. It is the bankers and the moneylenders who demand this increase. If we are voting in the interests of our constituents, we should vote against an increase in the interest rate on our national debt.

Public Opinion Poll, 10th District of North Carolina

EXTENSION OF REMARKS OF

HON. CHARLES RAPER JONAS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. JONAS. Mr. Speaker, the following questionnaire was mailed to every

post-office boxholder, rural and urban, in my district. It was also reproduced in the Charlotte Observer, the newspaper with the widest circulation in the district.

There are six counties in the 10th district, extending from the mountains of western North Carolina to the industrial Piedmont. Interests range from mining in the mountain counties to agriculture, manufacturing, and marketing in the industrial and commercial sections of the district which include Charlotte.

Although the responsibility for any votes I cast in Congress must necessarily be my own, I feel that the views of my constituents are important and that I should know them. By this method I sought to give the voters in my district an opportunity to express their opinions on a wide variety of subjects.

The response to the questionnaire was gratifying and replies were received from every county in the district and from urban and rural communities. They

came from farmers, workers, housewives, executives, merchants, and professional men and women. The results were surprising in some instances indicating that the people of the district are thinking for themselves and are giving thoughtful consideration to current problems.

I should like to share the results of this questionnaire with my colleagues and under leave to extend my remarks in the RECORD include the questions and answers on a percentage basis:

Public opinion poll tabulation from Charles Raper Jonas, Representative in Congress, 10th District, North Carolina

	Yes	No	No opinion		Yes	No	No opinion
1. Number the following issues in the order of their importance to you:				8. Do you agree with those who argue that labor unions are becoming too powerful and more stringent Government controls should be imposed?	87.6	9.9	2.5
(a) Balanced budget.....	17.2			9. Do you agree with those who argue that present labor laws (Taft-Hartley) are too oppressive against unions and should be repealed or liberalized as recommended by union leaders?	7.6	87.6	4.8
(b) Civil defense.....	3.8			10. Should proposed union reform legislation cover the problems of secondary boycotts and "blackmail" picketing?	82.2	9.1	8.7
(c) Farm problem.....	3.3			11. Do you favor repeal of sec. 14-B of the Taft-Hartley Act which permits States to enact right-to-work laws?	26.9	64.1	9.0
(d) Foreign policy.....	7.4			12. Do you favor increasing the Federal minimum wage law above \$1 per hour?	37.4	57.9	4.7
(e) Federal aid to education.....	3.3			13. Do you favor extending the coverage of the Federal minimum wage law?	55.4	33.8	10.8
(f) Inflation.....	13.5			14. Do you favor Federal aid to education for—			
(g) Labor union legislation.....	9.5			(a) School construction.....	42.7	47.8	9.5
(h) National defense.....	24.2			(b) Teachers' salaries.....	31.8	55.5	12.7
(i) Social security.....	4.4			(c) Other general aid.....	20.9	58.9	20.2
(j) Reduction in Government spending.....	13.4			15. Do you favor hospital and surgical care for social security beneficiaries to be financed by increased social security taxes?	33.1	61.7	5.2
2. Under existing conditions at home and abroad, do you consider a balanced budget—				16. Do you favor—			
(a) Essential.....	40.1			(a) The present farm program under which the Government supports prices of certain farm commodities at a percentage of parity and imposes stringent acreage controls.....	17.8	65.8	16.4
(b) Desirable.....	52.2			(b) Basing price supports more closely to market prices.....	38.2	29.4	32.4
(c) Unimportant.....	5.8			(c) Elimination of price supports and production controls.....	57.1	22.7	20.2
(d) No opinion.....	1.9			17. Do you favor increasing the interest rate on Government loans to REA cooperatives from 2 percent to the average rate the Government pays on its own bonds?	80.0	12.4	7.6
3. Would you favor increasing any taxes (income taxes, gasoline taxes, excise taxes, or postage rates) if necessary to balance the budget?	50.4	46.0	3.6	18. Do you think more federally administered programs should be turned back to the States and local governments?	81.4	12.9	7.5
If so, please specify which you would favor increasing:				19. Do you favor long-term, low-interest loans by the Federal Government to local communities to finance public works projects?	49.9	42.0	8.1
(a) Gasoline.....	13.2			20. Do you favor Federal aid to depressed areas to finance plants and public works to attract industry?	42.5	49.3	8.2
(b) Excise.....	16.6			21. Do you approve our firm stand with respect to the Berlin situation?	94.2	3.0	2.8
(c) Postage.....	17.4			22. Considering world tensions, should we continue our mutual security aid to friendly nations?	77.4	12.0	10.6
(d) Income.....	4.9			23. Should the emphasis be on—			
(e) No answer.....	47.9			(a) Military assistance.....	46.4	18.8	34.8
4. Which of the following courses do you favor?				(b) Economic aid.....	54.4	13.7	31.9
(a) Continued Government spending at current levels even if this results in deficit financing.....	11.3	51.5	37.2	24. Do you favor gifts and sales (for local currencies) of surplus farm commodities to underdeveloped countries?	80.5	10.4	9.1
(b) Reduction in appropriations to match expected revenue.....	80.5	5.9	13.6				
5. If you answered (b) "Yes," where would you cut?							
(a) Defense Department funds.....	7.9	15.7	76.4				
(b) Domestic programs other than military.....	51.2	2.8	46.0				
(c) Mutual security programs.....	22.2	8.2	69.6				
(d) Across the board.....	35.2	9.1	55.7				
6. If all other efforts to halt inflation fail, would you favor wage, price, and rent controls?	65.3	28.1	6.6				
7. Do you think the Federal Government should spend more than it is spending for—							
(a) National defense.....	27.7	50.7	21.6				
(b) Welfare.....	12.2	67.3	20.5				
(c) Schools.....	35.2	49.7	15.1				
(d) Housing.....	11.6	67.2	21.2				
(e) Hospitals.....	24.2	56.8	19.0				
(f) Agriculture.....	9.0	70.4	20.6				
(g) Veterans.....	14.0	66.6	19.4				

Representative Roosevelt Speaks on "The Key to Small Business Survival"

EXTENSION OF REMARKS OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. PATMAN. Mr. Speaker, under the chairmanship of Representative JAMES ROOSEVELT, Subcommittee No. 5 of the House Small Business Committee recently opened a series of hearings on the problems of small business in the food industry.

During the course of these hearings a great deal of valuable information was presented by small businessmen representing many different segments of the food industry. The nature and scope of

problems that are causing serious, sometimes ruinous difficulties for small businessmen, were revealed to the members of the subcommittee by these witnesses.

In recognition of the interest shown over the problems of the independent operator in this vast industry by Representative ROOSEVELT during these hearings, the National Candy Wholesalers' Association invited him to address their convention in Chicago today on, "The Key to Small Business Survival." Representative ROOSEVELT has a record of giving constructive, positive assistance to small businessmen whenever possible, and the views and proposals presented in this speech will be noted with interest. Because of its broad implications, which go beyond the immediate problems of the day, I believe this speech will attract the attention of those concerned with the importance of protecting the small businessman in a free and competitive enterprise system.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE KEY TO SMALL BUSINESS SURVIVAL
(Address by the Hon. JAMES ROOSEVELT, Democrat, of California, before the National Candy Wholesalers' Association, Chicago, Ill., July 27, 1959)

I am very happy to be with you today to discuss the "Key to Small Business Survival." As a group of small businessmen, you are well aware of the fact that a key must be found if small business is to survive.

Last month in Washington, the Subcommittee of the House Small Business Committee, of which I am chairman, opened its investigation into the distribution problems of small business in the food industry. Your association, with many others, cooperated with the subcommittee in presenting the problems which you face.

This investigation has been hailed by some as one of the most important studies made of the food industry in a quarter of a century—and from the testimony we received, it is being made none too soon.

Much of the legislation which has been passed by Congress to aid and protect small businesses has had as its fundamental purpose the protection of the free and competitive enterprise system. It is the firm belief of those of us concerned with problems of small business that the continuance of the economic system we know in the United States is based on the existence of small business as well as large business.

The concentration of economic power in the hands of a few can lead to disaster, for the use of power often leads to its misuse. And in our country, when an economic situation is injurious to the public interest—Government steps in.

I believe strongly in the free and competitive enterprise system which has made our country great—and I want to keep it. I don't want to see State socialism. If the concentration of power in a single industry becomes an evil force, and contrary to the best interests of our people, in the end that industry will be nationalized. We must prevent this.

The facts given to the committee in Washington by many different groups of small businessmen indicated to us that there is a concentration of power developing in the hands of a few in the food industry. While there still remain many areas of competition, many have been eliminated. These are warning signs. Signs that we must heed, and we must act upon.

Today the food industry is the largest single industry in our economy. It is a \$50 billion business. Many changes have taken place in the structure of this business in the last 20 years. Changes with which we are all familiar. The corner grocery store has all but disappeared from the neighborhoods and is being replaced by vast supermarkets. New products, frozen foods and different concepts of marketing have changed the food industry drastically.

In the period from 1948 through 1958, the total amount of annual sales through food stores rose from about \$31 billion to more than \$50 billion, but the number of merchants engaged in food retailing declined sharply. About 10 years ago more than 400,000 food stores were in business. The 1954 census showed that less than 350,000 stores were engaged primarily as food retailers.

The number of large retail food chains declined from 273 to 77 and less than 35 percent of these accounted for 77 percent of the total food chain sales.

We have seen the growth of the giants in the past 20 years. Fifteen of the largest chains accounted for 29.4 percent of total sales—and the big four (A. & P., Safeway, Kroger, and American Stores) accounted for 19.6 percent of total sales in 1957.

Since 1955, 2,657 locally owned food stores have been "acquired" by mergers. Their estimated total sales volume was almost \$3 billion—equal to the current total sales of grocery stores in 14 States.

The largest chain—A. & P., has more than \$4.7 billion in sales, over 4,000 stores, and is more than twice the size of its largest competitor. Sears, Roebuck had only \$3.7 billion in sales in 1958.

If you accept the definition of a chain as four or more stores, they account for approximately 43 percent of the total retail food business in the country.

I believe that these facts indicate a high degree of concentration of power in the food industry. And I also believe that it is time we did something about it.

It is important that those of you in the wholesale candy business, and your colleagues who wholesale in other phases of the food industry, understand this situation and your responsibility in it.

Your executive secretary, Clarence McMillan, presented facts to the subcommittee last month which revealed that the candy whole-

salers are faced with the same problems as the small meatpackers, the frozen food distributors, the preserve manufacturers, the small poultry and egg producer, the independent retail wholesale grocer and the farmers. The gigantic food chains are taking over the food industry from the crop to the shelf, and the small businessman is being squeezed out. "Grow big or die," former Gov. Ellis Arnall told the committee. "The small businessman is no longer able to compete in the marketplace."

The problems that you face as candy wholesalers are the same as those described by other small businessmen in the food industry.

Your secretary told the committee that candy is being used as a loss leader. The chains sell it at below cost prices to bring customers into the stores. The poultry industry has the same problem—and today thousands of them have gone into bankruptcy.

Chainstores, we were told, are receiving competitive buying advantages of one sort or another, which permit them to sell at very low prices—prices even lower than the wholesaler and retailer can get. A tobacco wholesaler from New Mexico testified that equal opportunity to purchase merchandise competitively is one of the most acute problems small business faces.

Mr. McMillan mentioned advertising allowances, promotional allowances, vertical integration, and mergers. Time and time again witnesses told the committee of the serious situation they are in because of the misuse of these practices in the food industry.

You as small businessmen in the wholesale candy field are feeling the results of revolutionary changes in production and distribution methods in the food industry.

You are an important part of the food picture. Thirty-five percent of the candy purchased is sold through food stores. But there are fewer food stores, for in 10 years more than 50,000 stores have disappeared.

In 1950 there were 8,500 candy wholesalers supplying independent retailers. Today there are a little over 5,000 of you.

We are told that today a food chain is the largest candy manufacturer in the country, manufacturing candy to sell in its own stores. There is no place for the wholesale candy man in this picture.

Price wars are a common occurrence in the food industry. The housewife is delighted with the cut prices on dairy products, coffee, and fruit juice, and picks up these so-called week end bargains at the chain stores. And then what happens when the small grocer gives up and goes out of business, unable to compete in these price wars? The prices of these commodities go up and stay up.

Fewer and fewer firms are buying a larger and larger percentage of the total farm commodities. And the farm income which stood at \$17 billion in 1948, slipped back to less than \$11 billion in 1958. While the big chains are offering lower prices to the housewife, the small farmer is thinking—"Grow Big or Die".

Today 95 percent of all the broilers consumed by the American public are raised under some kind of a contract between the farmer and a company. The farmer has made very little profit and has lost control of his own operation. One small poultry owner called it a return to serfdom.

These tragedies result from monopolies. The evils of monopoly were well known to our forefathers. Thomas Jefferson, I am told, wrote a clause in a draft of the Constitution, which would restrict monopoly. Unfortunately, it was deleted. Many of our State constitutions prohibit monopoly.

The people of Italy and Germany learned that monopoly results in a loss of not only their economic freedom, but their social and political freedom as well. Democracy and

our traditional free-to-compete-fairly economic system cannot live in the same climate with monopoly. One must die.

It is this threat of monopoly which has been presented to the subcommittee by small businessmen which deeply concerns me. What can we do?

Businessmen in the industry should meet and advise on proper actions to protect the free enterprise system. The businessmen have a responsibility which they must meet. This is one key to survival.

If the businessman does not present proposed solutions, others will come up with the best answers they can, but they would not be the best ones they could have reached had they had the help of the industry.

We have opened our study in Washington with a presentation to the subcommittee of the problems of small businessmen in the many different fields in the food industry. It is our intention to carry our hearings into major cities throughout the country to learn first hand what is happening to small business.

There are several aids which could be offered small business soon. Mr. McMillan proposed that the Federal Trade Commission be directed to earmark certain appropriations for the specific function of keeping an eye on the food industry. I believe there is a good deal of merit in that idea.

I am wondering if legislation paralleling the stockyard and packer's consent decree, which would prohibit a retail firm from going into the processing and producing end of the business, might not help solve some problems.

It has been suggested that the Federal Trade Commission should be given injunctive powers so that a small business would not go under while waiting for its case to come up in court.

Legislation is now pending in Congress to force a seller to make known his price, discount or other terms, to all buyers. This bill is sponsored by the Honorable WRIGHT PATMAN, chairman of the House Small Business Committee.

The key to survival in any battle is to know your enemy. The enemy of the American free enterprise system is monopoly. Monopoly, which would mean the end of our American democracy, of the opportunity for a man to have his own small business, to choose independence, and the right to compete with his intelligence and energy.

This is the enemy we must fight and beat. This is the key to survival—yours and mine, and that of every American.

Banks, Interest Rates: The Public Interest

EXTENSION OF REMARKS OF

HON. GERALD T. FLYNN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. FLYNN. Mr. Speaker, who should have the power to determine policy when the welfare of our country is at stake? The Federal Reserve bank or the Congress?

The welfare of our country is at stake when we are threatened with an inflation which can consume all of us. To pay added interest charges on the public debt is inflationary. The Federal Reserve bank refuses to support Treasury bonds at the maximum interest rate now permitted. The Federal Reserve bank

high-handedly rejects the advice of Congress when it suggests passing a resolution to the effect that it is the sense of Congress that the Federal Reserve bank support the bond market. The members of the Federal Reserve bank system were helped by Congress in 1933 and now, being beneficiaries of the fruits of the Federal Deposit Insurance Corporation, have declared their independence not only of the will of Congress but their rejection of even an expression of opinion by Congress on a money matter which has at stake not only the welfare of the banks but the welfare of the entire country and our economic system. If you believe, as I do, that fighting inflation through increased interest charges leads to a speedy and serious depression, and to an increasing spiral of inflation in other fields, then the advice and wish of Congress should be heard and heeded by agencies created by this Congress, such as the Federal Reserve bank. Yes, the private banks of this country should not be unmindful of the advice of Congress. Where the interest of the people is at stake, this Congress cannot afford to forfeit its power or influence or to compromise the people's convictions or principles. If we believe that the welfare of the people can be jeopardized through a rise in interest rates, through further inflation and by the failure of the Federal Reserve bank to support the current bond market, then I feel it is our duty, as Members of Congress, to refuse to knuckle under to those who demand increased interest rates. The well-being of the people of the country comes ahead of the well-being of the banks and money-lenders. Congress should protect the people and should not forfeit, even its right to express an opinion, to the banks who are hiding behind the sacred veil of a statement to the effect that banks should be free of the control of politicians. I say that it is our responsibility as Congressmen, politicians if you will, to protect the interests of our constituents who sent us here.

First the bankers wanted the vault cash bill—then the ceiling lifted on the national debt—then an increase in the interest rate on Government bonds and now they are bold enough to tell Congress, through the President, that Congress should not pass a simple resolution expressing its feeling that the Federal Reserve bank should support the bond market of the Treasury Department. The Federal Reserve bank has refused to buy Treasury bonds at the interest rate offered by the Secretary of the Treasury. We have, in effect, a strike by the Federal Reserve bank against the Treasury—a strike against the people of the United States.

Can any of us go home at the end of this session if we vote for an inflationary increase in interest rate and face the family farmer, the corner grocer, the white-collar worker, the laborer, the veterans, the teachers, and the pensioners living on fixed incomes? Let us forget about the hypothetical individual who states that the cause of the inflation is because Congress, or the Democrats in Congress, are spending too much.

There is little difference between the spending bills of the Republicans and the Democrats. There is, however, a big difference between the policies of the Republicans and the Democrats. What we need is a balanced economy. If we have a balanced economy, a balanced budget will automatically follow. Let us vote in the interests of the people back home—let us vote against inflation by refusing to increase the interest rate on the national debt.

Domestic Surplus Property Donations for Education, Health, and Civil Defense

EXTENSION OF REMARKS OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. McCORMACK. Mr. Speaker, under leave to revise and extend my remarks, I am placing in the CONGRESSIONAL RECORD a recent press release of Secretary Flemming of the Department of Health, Education, and Welfare which indicates that personal property in the amount of \$126,822,683, acquisition cost, was made available to the States for purposes of education, health, and civil defense during the period April 1 through June 30, 1959. During the same period real property in the amount of \$3,211,895 was donated for these purposes.

This is the largest quarterly program we have had and indicates better organization at all levels and the continued declaration of surplus property by the military agencies. It is to be noted that the State of New York had the highest total of \$16,065,988 for the quarter and this, with the overall increase in volume, bespeaks the added impetus given to the program by my colleagues on the Special Subcommittee on Donable Property, the gentleman from New York [Mr. BARRY], and the gentleman from Connecticut [Mr. MONAGHAN].

Mr. Speaker, though the domestic donable surplus property program is large, with allocations of \$361 million for the entire fiscal year 1959, it should be larger. Our eligible institutions need much more property which is being sold at small return to the taxpayer.

Unfortunately, we have not yet developed a program to utilize excess overseas property for purposes of education and health. It is expected that the volume of this excess property will amount to \$1.4 billion acquisition cost in the current fiscal year.

The release of Secretary Flemming follows:

Surplus property for which the Federal Government paid \$130,034,578 was made available to the States for educational, public health, and civil defense purposes during April, May, and June 1959, by the Department of Health, Education, and Welfare.

Real property accounted for \$3,211,895 and personal property for \$126,822,683.

Secretary Arthur S. Flemming announced the totals in making his quarterly report to Congress on the Department's surplus property program.

Property no longer needed by the Federal Government is distributed, under the provisions of the Federal Property and Administrative Services Act of 1949, to educational and public health agencies and civil defense organizations of State and local governments, and to eligible nonprofit health and educational institutions exempt from Federal taxes. Regional offices of the Department of Health, Education, and Welfare and various State agencies channel the surplus property to the institutions.

Property transferred to the States includes such items as school and hospital building sites; buildings suitable for college dormitory or faculty housing; motor vehicles; hospital, school, and office furniture; hand and machine tools; motion picture projectors; laboratory equipment; and school and office supplies.

The following is a State-by-State list of real and personal property distributed, April-June 1959. State surplus property agencies can furnish details on the operation of the program within their States.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Personal property made available for distribution to public health and educational institutions and civil defense organizations and real property disposed of to public health and educational institutions, April 1 through June 30, 1959 (acquisition cost)

[In accordance with sec. 203(o), Public Law 152, 81st Cong., as amended]

States	Personal property	Real property	Total
Total.....	\$126,822,683	\$3,211,895	\$130,034,578
Alabama.....	4,617,794	30,665	4,648,459
Alaska.....	564,070	69,300	633,370
Arizona.....	687,302	18,904	706,206
Arkansas.....	884,359	11,825	896,184
California.....	9,779,736	225,351	10,005,087
Colorado.....	583,729	71,894	655,623
Connecticut.....	1,305,847	24,777	1,330,624
Delaware.....	724,427	.....	724,427
Florida.....	6,765,814	24,090	6,789,904
Georgia.....	2,492,642	.....	2,492,642
Idaho.....	684,112	.....	684,112
Illinois.....	5,842,006	35,700	5,877,706
Indiana.....	2,835,189	1,625	2,836,814
Iowa.....	2,137,380	3,310	2,140,690
Kansas.....	1,431,046	97,625	1,528,671
Kentucky.....	1,725,509	.....	1,725,509
Louisiana.....	1,391,063	27,000	1,418,063
Maine.....	803,949	.....	803,949
Maryland.....	2,469,444	89,564	2,559,008
Massachusetts.....	5,164,538	.....	5,164,538
Michigan.....	3,486,632	.....	3,486,632
Minnesota.....	2,870,641	.....	2,870,641
Mississippi.....	2,382,011	116,090	2,498,101
Missouri.....	1,908,116	89,238	1,997,354
Montana.....	316,027	4,557	320,584
Nebraska.....	708,137	29,660	737,797
Nevada.....	268,118	.....	268,118
New Hampshire.....	544,318	.....	544,318
New Jersey.....	2,398,317	3,000	2,401,317
New Mexico.....	1,096,801	237,155	1,333,956
New York.....	16,023,454	42,534	16,065,988
North Carolina.....	3,524,609	5,967	3,530,576
North Dakota.....	150,527	.....	150,527
Ohio.....	4,450,696	6,600	4,457,296
Oklahoma.....	2,574,952	516,143	3,091,095
Oregon.....	1,128,987	10,000	1,138,987
Pennsylvania.....	7,507,606	.....	7,507,606
Rhode Island.....	603,897	.....	603,897
South Carolina.....	1,919,650	.....	1,919,650
South Dakota.....	264,779	3,600	268,379
Tennessee.....	3,116,843	36,157	3,153,000
Texas.....	4,227,562	884,503	5,112,065
Utah.....	1,427,488	.....	1,427,488
Vermont.....	299,587	33,756	333,343
Virginia.....	3,041,476	96,349	3,137,825
Washington.....	2,212,494	19,086	2,231,580
West Virginia.....	1,344,802	.....	1,344,802
Wisconsin.....	2,415,031	.....	2,415,031
Wyoming.....	294,642	.....	294,642
District of Columbia.....	510,858	.....	510,858
Hawaii.....	300,276	345,970	646,246
Puerto Rico.....	665,393	.....	665,393

Space Secrecy

EXTENSION OF REMARKS
OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. BROOKS of Louisiana. Mr. Speaker, recently the gentleman from California [Mr. Moss] addressed this House on the subject of executive branch secrecy in the field of space research and space programming. It was his conclusion that if this House cut the appropriations of the National Aeronautics and Space Administration, the responsibility should lie with the executive branch because the House could not be expected to grant automatically requests for funds for agencies which were not keeping the appropriate committees of the Congress fully informed of their activities and plans. He used as proof of this hampering secrecy the recent report of the Senate Subcommittee on Government Organization for Space Activities, Committee on Aeronautical and Space Sciences.

Let me say that the continuing battle which Congress fights to keep itself fully informed of what the executive branch is doing is an important one, and that the gentleman from California has made a great contribution by his efforts in this field. But at the same time, I wish to make clear that the House Committee on Science and Astronautics has insisted on being kept fully informed of the activities of the National Aeronautics and Space Administration, and that agency has been fully and frankly cooperative in its efforts to comply with the wishes of this committee.

The extensive records and material presented to this committee in the authorization hearings before this committee, and all other contacts we have had on virtually a daily basis with the NASA reflect credit on Dr. Glennan, the Administrator, Dr. Dryden, the Deputy Administrator, and Mr. Gleason, the Assistant Administrator for Congressional Relations, together with their staff. I am safe in stating that when the Committee on Science and Astronautics recommended to the House the authorization program it did, that these recommendations were on the basis of complete and thorough study. The action taken by the House on the appropriations whatever the reasons, represented the judgment of the Members by majority vote, but were not a reflection of any lack of study or gaps in information on the part of the committee of which I am chairman.

Now I also want to say that the report of the Senate subcommittee to which I have referred is an important study which deserves close attention for the thoughtful conclusions which it presents. It would be my view that the Senate report is correct in directing attention to the needs for Congress to have greater knowledge of how the detailed programs of the NASA and the Department of Defense relating to space are coordinated in

the President's National Aeronautics and Space Council. Despite the similarity of name, the Space Council is separate and distinct from the Space Administration. This committee has not received a clear report of what the Council has been doing.

Because I have been well satisfied with the cooperation received from NASA, I would be greatly surprised to discover that there has been any serious gap in information supplied to this committee. If there are any such gaps known to the Members of this House, I should appreciate having them called to the attention of the chairman of the Committee on Science and Astronautics, and we shall move swiftly to fill them.

Education in Foreign Service

EXTENSION OF REMARKS
OF

HON. A. S. MIKE MONRONEY

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 28, 1959

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an excellent address delivered by the distinguished junior Senator from Tennessee [Mr. GORE] before the 14th Institute of Higher Education, Board of Education, the Methodist Church, Nashville, Tenn., on July 28, on the subject "Education in Foreign Service."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

EDUCATION IN FOREIGN SERVICE

(Remarks of Senator ALBERT GORE before the 14th Institute of Higher Education, Board of Education, the Methodist Church, Nashville, Tenn., July 28, 1959)

It is a privilege and honor to participate in this significant conference on higher education.

In presenting to you some views on "Education for Foreign Service" I use the term "foreign service" in its generic rather than its political sense.

The field of foreign service is broad and is broadening by leaps and bounds. Moreover the challenge and the necessity of foreign service in the political, social, the religious, the economic, and other fields surges evermore appealingly and vitally.

We see that truth, a key to the Christian concept at home and abroad and the most effective weapon of freedom anywhere, is locked in a dramatic battle with propaganda, distortions and prevarication. We see that truth needs the service of more and better trained people and improved methods of communication.

We see that in the mortal cold war challenge to our way of life the ultimate target is the minds and the hearts of mankind. The most appealing and revolutionary political ideal that the world has known is democracy, described so eloquently by Lincoln as "of the people, by the people, and for the people." I hold that it is far more appealing, and perhaps in many parts of the world more revolutionary today, than even the theoretical concept of communism, let alone the vulgar, gangster distortion current in Russia.

Yet this idea and ideal, this system, however glorious and glittering it may be in the

United States, eventually loses its appeal to people who can find no reasonable basis for aspiration for attaining it or any share of its benefits and glories.

We see the Soviet efforts at economic penetration of underdeveloped areas and for political subversion, particularly among the politically unsophisticated peoples.

I say these things only by way of identifying both the scope and urgency of education for foreign service.

One of our national weaknesses is our deficiency in linguistic capabilities. This point has been made plain to me through somewhat excruciating experiences at international conferences. Within the last month, for instance, I was a member of the U.S. delegation to the conference on nuclear weapons tests suspension which invited the Russian and British delegates to dinner. Each of our Russian guests spoke English reasonably well, sufficiently to communicate intelligibly without aid of an interpreter. Not one of the American hosts could utter or understand one intelligible sentence in Russian.

American business representatives abroad are finding themselves handicapped because of the superior facility of communication by their competitors.

No longer, it seems to me, can we depend solely upon the isolated missionary to adequately and effectively carry the message of Christian faith and ideals in competition with shrewd articulation of materialistic ideology.

In the past Americans have shown comparatively little interest in the study of foreign languages. Perhaps this was a natural consequence of our geographical position. It may be a consequence also of our complacency and self-satisfaction, which our position in world affairs will no longer permit.

This deficiency can be attached by institutions of higher education, but higher education alone cannot provide a satisfactory solution. The development of a national linguistic capability sufficient for the challenge of world leadership will require elementary language training in the primary grades and high school and supplementary study in higher education. In the field of higher education new methods of language teaching are evolving, influenced particularly by necessities for concentrated language studies by the Armed Forces during World War II and since.

Language, however, is not an end in itself. I shall never, never forget the withering experience I had when I undertook to matriculate for a public speaking course as a freshman at the University of Tennessee. The dean took one look at my matriculation card, quickly drew a line through the public speaking course, and looked at me as if to say, "You must first learn something to talk about." I am not sure that the dean was right. In fact, I was not sure then, and by some persistence persuaded him to let me take the course. Nevertheless, the facility to communicate is only a tool. Its effectiveness depends on how it is used, not merely on its possession. I would not, therefore, wish to overemphasize training in languages, necessary and important though it be.

One can be "fluently arrogant" in several languages and yet be a poor representative abroad of his country, of his business, of his mission, of his church.

Although this may be overlooked by some, it is most important that anyone going into foreign service in any field of endeavor be well informed about his own country.

Upon my daughter's return to Vanderbilt University as a student after working at the World's Fair at Brussels and completing a trip around the world, I heard someone ask her the following question: "What lesson did you learn in your travels around the

world?" Nancy answered: "I have just registered for four history courses."

Not only is knowledge of the history of our country important in education for foreign service, but a knowledge of its people, of its geography, of its industry, of its business, of its social and political institutions, its religious life, its welfare programs, its labor organizations, its social customs, its strong points and also its weaknesses.

Moreover, a faith in our system and a dedication to its causes is essential to effective foreign service. I think it is reasonable to presume this faith and dedication. The more education, the more knowledge, the more understanding that our foreign service personnel possess, the more valid will be the assumption.

The need for qualified individuals educated for foreign service in various fields is acute. This problem concerns all. With the relatively new position of free world leadership which has come to us through the inexorable march of events and our own great good fortune has come the responsibility of dealing effectively and in all fields and at all levels with peoples all around the world. We are sending more people abroad than ever before and keeping them abroad for longer periods of time. This applies, I believe, to religious undertakings, as well as to economic, business, political, and military personnel.

I must not overlook, nor indeed must I minimize, the importance of American tourists abroad as representatives of our way of life. Here, too, we could stand a little more educational preparation for foreign service.

Through education, we can solve a great many of our difficulties. There must be preparation for any service, but unfortunately we do not have the facilities for proper foreign service training. Neither do we have, at the present time, a large pool of people with an interest in foreign service from which to select people for training. I would say, along with Alfred North Whitehead, however, that "the race which does not value trained intelligence is doomed." The country which does not value trained intelligence and which does not take steps to select and train its intelligent people is doomed to failure. Perhaps this caveat is pertinent to the important field of foreign service.

Education for foreign service, as I have said, has many facets. Before such education can begin, there must be some process of selection of those to be educated. How are they to be selected? Who should select them? At what point in the educational process should specialized training for foreign service be undertaken?

When these questions can be satisfactorily answered, and it is determined that a qualified candidate for education for foreign service is in hand, one must then face the task of deciding how to educate him. What should be the specific objectives of his education, and how extensive, as a practical matter, should the curriculum be?

Finally, then, one is faced with the question of the best type of institutions for educating this candidate for Foreign Service. Should existing educational institutions be utilized, or should specialized institutions be established? In the Foreign Service of the Government, this is, and has been, a much discussed matter.

Now, I have raised a lot of questions. I don't propose to furnish easy answers. Essentially, I seek to identify the problem. Perhaps some of these questions can be resolved in the course of your further discussion and study.

It may be needless to point out that Americans abroad are subject to a great deal of criticism, much of it, I am afraid, justified. All things considered, however, the

picture is probably not as bad as it has been painted. The recent bestseller, "The Ugly American," has popularized a type of American abroad who is not in my view typical of our State Department, Information Agency, or other related Government services. On the other hand, it certainly is true that our representation abroad, particularly in Government, is not what it should be.

There are three basic reasons for the criticism of Americans abroad. First is poor selection and training of personnel. This is what we are talking about now, and it is something we can correct. Second is the lack of a proper foreign policy. As educators, you cannot do too much about that right away. Third is the simple fact that unpopularity is the price of power. There is not much any of us can do about that.

Some experts in the field list another cause of friction, and that is the fact that there are just too many Americans abroad, and the mere fact of numbers will give rise to friction. This may be a factor. At the present time, almost 1 percent of our population is abroad, including members of the armed services and their dependents. But, before we draw any hasty conclusions about this, it should be mentioned that about one-fourth of all Americans abroad are living in Germany, and that country is probably the one place abroad where Americans are most appreciated and where there is a minimum of friction between our people and both government officials and private citizens.

Perhaps friction at any particular place revolves around what we are doing and how we are doing it, rather than the numbers of people involved. Certainly, whatever we have to do in various countries, and whatever numbers may be involved, the proper selection and training of our representatives will go a long way toward getting the job done in the best possible way.

In a democratic society, the selection of individuals for work, as well as the choice of avocation, is and must be on a voluntary basis. It is not possible for the Government, church, or company desiring representation abroad to designate individuals and earmark them for any particular task, except in the armed services. We must rely on incentives such as monetary income, improved status, interest, or the opportunity to be of service.

Our chief foreign competitor, Soviet Russia, has a big advantage in the matter of selection. The Soviets can and do select people at an early age and keep them in a specified program of training as long as the government feels such training is profitable. We do not desire such control. We abhor it. But we must recognize its challenge. It has been reported, for example, that the Soviets have, for several years, been training large numbers of selected individuals for service in Africa south of the Sahara and giving them intensive training in the languages and dialects of the area. We know as well as do the Russians that this is a critical area, but we are not able to mobilize our efforts so readily. I doubt that there are many people in this country who are undergoing training in Swahili or Ruanda, let alone the less well known languages and dialects of that section of the world.

As a practical matter, it appears to me that we will not be able to select young people for foreign service training at an early stage in their educational process. We will probably have to allow them to get through most of their college training before any real specialization can be undertaken. Even so, linguistic aptitudes can be discovered, encouraged, and developed at an early age.

It is often not decided by a college student that he wants to go into any given type of foreign work until he is in his junior or senior year. In such a case the bulk of the specialized training must be given at the graduate level. Our educational system, of

course, does a great deal of selecting for us. A student often starts out in a liberal arts course, then shifts to prelaw or premedical studies. If he survives, he goes on into law school or medical school. What we do not have now, and what we badly need, is a large pool of undergraduates who are foreign service prone. This would give us something to work with. We could then begin the weeding out and specialized training.

Regardless of the manner in which our candidates for service service training are selected, I think there are certain characteristics which these people should have, or which they should be capable of developing.

Dean Harlan Cleveland, of the Maxwell Graduate School of Citizenship and Public Affairs of Syracuse University, recently discussed these characteristics with the Senate Foreign Relations Committee. The Maxwell Graduate School has done a good deal of work in this field, and Dean Cleveland has concluded that there are five major elements in effective overseas performance. These are technical skill, career dedication, a sense of politics, cultural empathy, and organization ability.

By technical skill is meant, simply, that a man must know his job. He must know it as if he were doing the same work at home. Career dedication will, of course, carry anyone over a great many obstacles. A sense of politics is vital when working among foreign nationals who may be more politically conscious than Americans. Cultural empathy is difficult to achieve, but likewise necessary. We must be able to put ourselves, when we are representing America abroad, into the other fellow's political, economic, and social shoes. Organization ability is necessary largely because of the fact that the American overseas has to work through an organization back home, and the long line of communications will invariably cause difficulties.

I am not sure that everyone would agree on these qualifications. Most of us would agree, however, that a person possessing, or capable of developing, all of these would certainly perform well in representing his country, his church, or his company in a foreign field.

It appears to me, however that it will be extremely difficult to test an individual for these qualifications prior to his having undergone a good part of his training. We must probably, then, merge selection and training to a great extent. We must begin to train a great many people. As I have said, one of our first tasks is to get a large number of students to become conscious of the need and the opportunities of foreign service.

Knowledge of the area in which one is to serve, its language, its customs, history, geography, and its hopes for the future is a bedrock essential, second only to a knowledge of one's own country.

Since we live in an age of change, it is important to know the movements which are underway in a given country. One must know as much about the group or government which is on the way up as he does about the group or government currently in power. We must realize that the dynamics of political and social life in other countries may now be in the process of producing changes similar to those which our own country has undergone during the past 100 years.

Having covered in a very general way some of the areas in which a candidate for Foreign Service should receive special training, let us now consider the type of institution which can best give this training.

At this point, the question of some sort of national academy for Foreign Service training arises. Is there a need for such a specialized institution, operated by the Federal Government, especially for the training of a Government Foreign Service Corps?

All together, there are some 1,800 colleges and universities offering some sort of higher education. Many of these institutions, whether they be operated by church groups or other types of public spirited and civic minded boards or trustees on the one hand, or by States or other governmental agencies on the other, could do a much better job in Foreign Service training if they had some guidance and perhaps financial assistance from the Federal Government. I think it is upon these institutions that we should principally depend for higher education. Their structure and curriculum will require strengthening. So will our elementary and high school systems.

I feel that it would be in the national interest for the Federal Government to give financial assistance and encouragement to established colleges and universities in setting up programs for Foreign Service training, especially at the graduate level. A good program at the graduate level would have some effect on the undergraduate programs of these institutions. This would assist in making available to us a large body of Foreign Service minded students. Whether such individuals ever entered Government service or not, the Federal Government would profit. Our national welfare is involved in the competency of our Foreign Service, from the tourist to the trader, from the technician to the ambassador.

I would go further and say that I also think we need a national academy to specialize in this type of training. Here I would draw a parallel with our college military training programs. Perhaps some of the educational institutions represented here have ROTC programs. Those of you who are familiar with these programs know that a large proportion of the officers serving in the Army or Air Force, and to a lesser degree in the Navy, are ROTC graduates.

At the same time, I believe most of us would agree that, over the years, West Point and Annapolis have done a pretty good job of setting standards and providing a nucleus of trained personnel around which larger forces can be organized. I believe a National Foreign Service Academy would go a long way toward leavening the whole loaf of our Foreign Service personnel.

Last year, when it was obvious to me that our science education program needed strengthening, I introduced a bill to establish a National Science Academy and to set up a program of scholarships in existing institutions for the study of the natural sciences and mathematics. Congress passed the national defense education bill but it is too modest and restricted.

I am preparing a bill to establish a National Foreign Service Academy. The Federal Government can be, as it is in other fields, a pace setter. I find it disturbing, and I believe dangerous, that we spend only about seventh-tenths of 1 percent of our gross national product on higher education. We must place greater emphasis upon intellectual achievement.

In considering specialized educational institutions, we should not overlook the advantages to be gained from giving some of our people at least a part of their education abroad. We are accumulating large amounts of local currencies in many foreign countries which could well be used for educating our students in those countries. Furthermore, in the underdeveloped areas where higher education is not flourishing, we could use some of these funds to establish American-type universities. I have introduced a bill this year to do just this, and hope very much to secure its enactment early next year.

The United States has, willingly or not, entered upon a new era of international activity. No longer can we afford to live in semi-isolation. No longer can we afford to

consider the rest of the world as something separate and apart from our own national life.

Our international relations are of such importance that we need an increasingly large number of trained people who know how to get along with other peoples of the world and who know how to represent our institutions abroad, whether they be political, religious or commercial.

Statehood and Hawaii's People

EXTENSION OF REMARKS

OF

HON. WAYNE N. ASPINALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. ASPINALL. Mr. Speaker, our Delegate to Congress from Hawaii describes the victory for statehood in the summer, 1959, issue of State Government. The Honorable JOHN A. BURNS explains that the achievement of statehood is both a fulfillment and a beginning. It is a fulfillment of the peoples' longstanding aspirations and efforts and the beginning of a new period of opportunity for them to release their energies to realize their full identity and deep hopes.

Delegate BURNS' article, entitled "Statehood and Hawaii's People," follows:

STATEHOOD AND HAWAII'S PEOPLE

(By JOHN A. BURNS, Delegate from Hawaii)

Like most events in human life, statehood for Hawaii's people is both a fulfillment and a beginning. In one sense the profoundest hopes and desires of Hawaii's people are, with statehood, realized; in another sense, statehood is only the first step toward realizing those hopes and desires. Statehood signifies the full emergence of Hawaii's people, and it signifies also their first real opportunity for full, genuine emergence.

Anyone who thinks, and who has bothered to give some context to his thinking—who knows history, literature, and the like—knows that the search for identity, which characterizes most of our individual lives, is one of the great problems of modern life. It has, of course, been a human problem ever since human life began, but it is so potently and primarily a modern problem that one may be excused for thinking it only a modern one. The great question—for individuals, as for larger groups—is "Who am I?" One thinks, for example, of such a book as "The Education of Henry Adams," and of such a peculiarly modern phenomenon as nationalism. It would be easy to multiply examples.

Within the political sphere—using the word "political" in its widest, almost its Aristotelian sense—we in the United States have proposed as the best answer to this problem the institutions of democracy. These institutions, we believe, insure for the human person the opportunity to develop and realize himself in whatever way he can best do this. They provide for the individual person, therefore, both incentive and milieu for his discovery of self, for his emergence. Democracy, as we understand it, is characterized principally by this kind of openness, an openness which allows for and encourages a genuine "aristocracy of talent" in Adams' and Jefferson's phrase.

A MOVEMENT OF THE PEOPLE

The movement for statehood in Hawaii has always been, first and last, a movement of its people. All of the benefits of statehood which one usually lists are certainly important, but they all point to something deeper. For Hawaii's people statehood represents at once their achievement of identity and their opportunity, finally, to achieve that identity as best they can.

Under statehood, for example, Hawaii's people can at last elect their own Governor. State government, therefore, will reside in their hands. They are now fully responsible for their own affairs. They can, by means of their government, shape their milieu in whatever fashion they think best. They can, in a real sense, create through this means their own image of themselves.

It is no accident that statehood comes at precisely the time when there is now in Hawaii—for the first time ever—a genuine two-party system. As late as 1945 the then leading figure in the Republican Party in Hawaii stated, privately, his firm belief that one would never see the day when there would be a Democratic Party worth much notice in Hawaii. In 1954 the Democratic Party won control of both houses of the Territorial legislature, and has since maintained this control, by large majorities. Whatever future political contests may determine in this respect, we now have real contests. The narrowly partisan aspects of this development are irrelevant here. What it signifies—and one could cite other events signifying in different ways the same thing—is the emergence of Hawaii's people, their discovery of their own possibilities, their own strength, their own ability to make choices, their own voice.

Hawaiian statehood is, from many points of view, a victory. It is a victory for America, for world peace, for freedom. But in the sense in which it concerns us here, it is a victory for Hawaii's own people. It comes as a climax of a long, hard struggle, not simply in the Congress, but more especially and really in Hawaii itself. The reasons why Hawaii did not achieve statehood, say, 10 years ago—and one could without much exaggeration say 60 years ago—lie not in the Congress but in Hawaii. The most effective opposition to statehood has always originated in Hawaii itself. For the most part it has remained under cover and has marched under other banners. Such opposition could not afford to disclose itself, since it was so decidedly against the interests and desires of Hawaii's people generally.

STATEHOOD VERSUS CENTRALIZATION

I cannot clarify these remarks, as I would like to by a detailed account of pertinent Hawaiian history, but perhaps I can at least adumbrate briefly and generally some relevant facts of this history. The term that best describes the situation which more recent events in Hawaii have broken through is "centralization." And one can best see the significance, in at least one important sense, of Hawaiian statehood for Hawaii's people, if he views statehood as the converse of this centralization—a centralization which the emergence of Hawaii's people, gradual at first and accelerated since World War II—has largely destroyed. Traces of it still remain but statehood will enable us to dispose of them.

TERRITORIAL FORMATIONS

In 1893 with the collusion of the American minister in Hawaii and a contingent of U.S. Marines, a group of insurgents overthrew Hawaii's independent monarchy and set up a so-called provisional government. This government negotiated with the United States resulting in a treaty not consented to by the U.S. Senate, whereby Hawaii was "in-

incorporated with the United States as an integral part thereof." In 1898 Hawaii was annexed to the United States; in 1900 it was given the political status of an incorporated territory, and its new "constitution," the Hawaiian Organic Act, was enacted by Congress.

These are rather bare facts, and I should like to amplify them a little. The overthrow of the monarchy was a decidedly unpopular event, and so—as the report of Presidential Commissioner Blount, who investigated the "revolution," clearly showed—was the proposed annexation to the United States. The small group which overthrew the monarchy was distrusted by the people at least as much as it in turn distrusted them. The people's opposition to annexation was not at all a sign of antagonism to the United States—for which, on the contrary, they had deep affection and respect—but rather a sign of antagonism to the ruling group in Hawaii. The form of government which this group provisionally set up was much more rigidly centralized than that of the previous constitutional monarchy. The mass of the people were prevented from voting, and power remained in the hands of a very few, the propertied class.

Senator Morgan of Alabama, who came to Hawaii after annexation as a member of the commission set up to devise an organic act had urged that Hawaii apply for admission as a State in the Union. But the Hawaii members of the commission did not agree with the Senator's opinion that Hawaii's people were ready for statehood.

The constitution which the commission drew up and proposed to the Congress for adoption is interesting in many respects, but in none more than in its suffrage provisions. At the adamant insistence of the two Hawaiian members of the commission—S. F. Dole and W. F. Frear—property and income qualifications had been added to the usual educational qualification. Had this proposal been adopted, the majority of Hawaii's people, though citizens of an incorporated Territory of the United States, would not have been able to vote. Since the literacy rate among Hawaii's people was extremely high, a simple educational qualification would have allowed most of those who were of age to vote. It is interesting to note that Senator "Pitchfork Ben" Tillman of South Carolina was the man who secured for Hawaii's people the right to vote under their territorial form of government. As a result of Senator Tillman's persistence, the organic act passed Congress with only a literacy qualification of voting, much to the consternation of the ruling group in Hawaii.

A CONSTRUCTIVE STRUCTURE

Still, the territorial form of government itself was decidedly centralized and constricting, especially in its executive structure. The Territorial Governor, appointed by the President of the United States, himself controlled by appointment the entire administrative machinery, exercised a two-thirds veto power over the elected legislature, and had such powers on the whole that he would have been considered unusually strong even if he had been an elected Governor. And there was no local government of any kind.

Although the Territorial legislature passed measures providing for the establishment of county governments, the Territorial executive vetoed these measures. Finally, after an investigation into Hawaii affairs, a congressional committee, in its report, deplored the lack of local government, severely rebuked the Territorial executive for his antagonism toward popular government, and warned that if the Territory did not soon institute county governments—which obviously the

people wanted, needed, and were thoroughly qualified to sustain—the Congress would institute it. The Governor, as a result, allowed a bill to pass without veto.

MOTIVES FOR STATEHOOD

Clearly the issue in the events I have described is between a deep antipathy toward popular government on the one hand and the pressure of the people on the other. I have described statehood as the resolution of this issue, as a victory of the people, because the same principles and desires were at work in the movement toward statehood as in, for one instance, the movement for county government. The desire was for a free, open system as against a closed one whose control came from the top—for democracy, in other words, as against hegemony rule. Only statehood would bring full self-government and confer upon Hawaii's citizens full, responsible participation in the life of their country.

It is interesting that, while the first statehood bill introduced by a Hawaiian Delegate to Congress came in 1919, the Territorial legislature as early as 1903 had petitioned the Congress to pass an enabling act permitting Hawaii to adopt a constitution. The initiative clearly came from the people through their elected representatives.

ACTION HELD UP

Really serious action on statehood did not emerge for some time, despite clear if not as yet articulate or organized popular desire for it. The reasons were many. Time was spent on the Hawaiian Homes Commission, county government, the bill of rights and other projects. These were all good and necessary, but occupied an unnecessary amount of time and effort, since many in power prolonged the process of attaining these programs and making them effective in order to allay any great demand from the people for a serious, all-out effort in behalf of statehood. The top economic group in the Islands was then adamantly opposed to statehood, as were the political powers, whose continued existence as powers depended upon these top economic interests. Referring to the first introduction of a statehood bill in Congress by Delegate Jonah Kuhio Kalanianoʻle in 1919, one authority states further:

"The leading Honolulu newspapers were opposed to it. They were greatly concerned over the Japanese problem in the territory * * * and the Star-Bulletin referred to the statehood bill as a 'ridiculous proposal.'"

Despite the very real and sincere desire of Hawaii's people for statehood, and despite the similarly real and sincere efforts of such Delegates as William Jarrett and Victor S. K. Houston, little progress was made toward that end for some time, since controlling groups in the Islands so strongly opposed the statehood bill as, in the words of the Star-Bulletin, a "ridiculous proposal." But with passage of the Jones-Costigan Sugar Act of 1934,¹ the slightly earlier Massie case² and its resultant exhaustive investigation into every cranny of Hawaii's affairs, even the controlling groups thought it would be wise to support statehood.

NEW LIFE FOR THE MOVEMENT

In 1935, at the request of Delegate Samuel Wilder King, a congressional House subcommittee visited the islands to investigate

¹ R. S. Kuykendall and A. G. Day. *Hawaii: A History*. Prentice-Hall, New York, 1948, p. 288.

² The act severely limited the amount of Hawaiian sugar marketable in the United States.

³ A celebrated case in which a Naval officer and others were tried, convicted and pardoned for the murder of a Hawaiian.

the possibilities of statehood. The report of this subcommittee was favorable, but it recommended further study. In 1937, a joint congressional committee, composed of 12 Senators and 12 Representatives, visited the islands, where they held hearings and conducted a comprehensive study of Hawaii's affairs. The committee concluded that Hawaii had "fulfilled every requirement for statehood heretofore exacted of Territories," and was therefore entitled to a "sympathetic consideration of its plea for statehood." The committee recommended further that a plebiscite be held in the islands to determine whether a substantial number of Hawaii's citizens wanted statehood. Such a plebiscite was held in the November 5, 1940, general election—in the midst of a tense world situation—and the vote exceeded 2 to 1 in favor of statehood. The war postponed further efforts.

The war changed many things. Perhaps the most significant change in Hawaii since the war, and to a great extent because of the war, has been the emergence of its people to a new self-awareness. Two factors played a great part in this: the activity of the labor unions, and the activity of returning veterans, especially those of Japanese ancestry, which became a potent force for economic democracy and, as a result, for democracy in general. These factors, especially, buttressed the fight for statehood.

In 1946 a House subcommittee, headed by Representative Henry Larcade of Louisiana, conducted an exhaustive on-the-spot survey of conditions in Hawaii. In its report the subcommittee stated that Hawaii's people had "demonstrated beyond question not only their loyalty and patriotism but also their desire to assume the responsibilities of statehood." It stated further that "The Territory now meets the necessary requirements for statehood," and recommended "that the Committee on Territories give immediate consideration to legislation to admit Hawaii to statehood."

Under the leadership of Delegate Joseph R. Farrington, who had succeeded Delegate King when the latter, in 1942, resigned to accept a commission in the Navy, a Hawaiian statehood bill passed the House of Representatives in 1947 by a vote of 195 to 133. No final action was taken in the Senate.

ACTION IN HAWAII—COMPLICATIONS IN CONGRESS

In Hawaii, meanwhile, the territorial legislature had established the Hawaii Statehood Commission, replacing an Equal Rights Commission, which was to assist Hawaii's Delegate to Congress in his efforts in behalf of statehood. The legislature, further, enacted in 1949 a bill authorizing a convention to draft a proposed State constitution. An election was held in which the people elected their delegates to the convention. The convention drafted a constitution which was subsequently approved by the Territorial legislature. At the November 7, 1949, general election, Hawaii's people approved the constitution by a 3-to-2 margin.

In Congress the House again passed a Hawaii statehood bill in 1950. The Senate Interior Committee favorably reported the bill, but no further action was taken. In 1953 the difficulty was compounded when, after the House had passed a Hawaii bill, the Senate passed one only after adding Alaska to it. The House Rules Committee refused to grant a conference request and thus killed the bill. The main problem for the two Territories thereafter involved the attempt to combine their bills, since this attempt joined those who opposed both bills with those who opposed one bill but not the other.

THE VICTORY WON

Thus in the 85th Congress, in which sentiment for whatever reason, favored Alaska rather than Hawaii, Hawaii deliberately stepped aside, allowing Alaska to be considered alone. The astonishingly swift passage—not unanticipated—of the Hawaii bill in the 86th Congress was a direct result of Hawaii's part in passage of the Alaska bill and of that passage itself.

It is impossible to name here the many outstanding people in the Congress, in the 49 States and in Hawaii who have played special and notable parts in preparing for and helping to secure the passage of the Hawaii statehood bill. Fundamentally, no one man or group of men is responsible. Statehood is, as I have said, a victory of and for Hawaii's people, and it is they who are responsible. It is they who have made for Hawaii the distinguished record by which it so patently deserved statehood. Anything that any man from Hawaii did to help secure statehood was successful only insofar as he genuinely represented Hawaii's people, and embodied their deeds and achievements.

Just to hint at the tremendous, joint effort that made statehood possible, let me note very briefly a few things that helped secure passage in this 86th Congress. Certainly one major factor in the bill's swift passage was a prodigious letter-writing campaign that originated in Hawaii. The newspapers, radio, TV, civic and citizen groups, and the people of Hawaii generally, joined in promoting and implementing the idea that each citizen of Hawaii should write his friends in the States urging them in turn to write their Congressmen and Senators in support of Hawaiian statehood. In another significant move, the Honolulu Chamber of Commerce, with no publicity and a modesty that belied its very real effectiveness, sent businessmen to Washington to assist the Delegate in his efforts in behalf of statehood.

A NEW ERA IS OPENED

I have tried, very briefly, to suggest something of what statehood means to Hawaii's people, some of the events that occurred, and some of the factors involved, in the long effort of Hawaii's people to secure statehood. I have characterized this effort as part of a movement from a closed, centralized scheme of things to more open, diversified, and flexible forms. Statehood, I have said, in one sense completes this movement, and in another sense gives it an opportunity really to begin. Statehood is the ground and condition for a full sense of identity on the part of Hawaii's people, a full sense of their possibilities and potentialities, and for the maximum development of these.

As a State, Hawaii is a unique and powerful asset to the United States in two chief ways. Geographically, economically, commercially, and culturally Hawaii occupies the central, preeminent position in the Pacific Ocean. To this world, therefore, and to the East—which together contain more than two-thirds of the world's population and countless other tremendous untapped resources—Hawaii is America's bridge. America's very real, tangible, and practical key to friendly, profitable relations with these areas. Further, in Hawaii's people—who are thoroughly American yet understand the peoples of the Pacific and the East, and can sympathize with their problems—the United States has its best means of utilizing Hawaii's position.

Statehood is the catalyst which releases the energies of Hawaii's people and gives them the opportunity to exploit these energies. Statehood opens up, as a result, a whole new era, a whole new area of possibility, for Hawaii and for the Nation.

A Memorial for James Madison, the Father of Our Constitution

EXTENSION OF REMARKS OF

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. KASTENMEIER. Mr. Speaker, a growing number of newspapers and distinguished scholars and authors have offered their wholehearted support for a memorial for James Madison, the Father of our Constitution. They have written letters to the editor of the Washington Post and Times Herald, which initiated the long overdue tribute to our fourth President, in support of the proposal. Following are letters to the editor of the Washington Post and Times Herald and an editorial which appeared in a recent issue of the San Francisco Chronicle:

[July 12, 1959]

A SHRINE FOR A FOUNDER

Irving Brant, whose biography of James Madison is itself one of the enduring monuments of our age, has proposed that the Nation erect a monument, memorial, or national shrine in honor of Madison, architect of the Constitution and Bill of Rights. In your issue of June 28, you endorsed Mr. Brant's suggestion and invited readers to comment on it.

It is evident that a suitable monument in the District of Columbia would have great educational value, particularly for the visitors, young and old, who come from all over the country to witness and learn the operating principles of a free republican government.

Madison does not need and can scarcely gain from any monument we may build. It is our own citizenry, present and future, who will gain most from seeing a tangible symbol of our gratitude to him and our dedication to the principles he served so ably.

There is another consideration worth mentioning. A Madison monument would announce to the world that America respects intelligence, education, culture, and spiritual refinement. These were among Madison's qualities, and we need to proclaim that as they informed our beginnings, they remain our abiding national ideals.

EDMOND CAHN,

Professor of Law, New York University.
New York.

(The author of "The Moral Decision," Dr. Cahn also edited "The Supreme Court and Supreme Law.")

I think Irving Brant's suggestion for a Madison memorial is an excellent one. If we have been remiss all these years in honoring the Father of the Constitution—and our most perceptive political theorist—we now truly have a golden opportunity to remedy this neglect.

We certainly owe Madison more than we have hitherto publicly acknowledged. A suitable public memorial would be a wonderful way of reemphasizing Madison's great contribution, in thought and in action, to the American Nation. Today, more than ever we need to be reminded of the great generation of southern leaders who were Americans first and southerners second.

Madison's dedication to union, to republicanism, to federalism, to our basic free-

doms, to majority rule, and to prudent statesmanship need to be emphasized and re-emphasized.

A memorial to him would not simply honor the man, but the vital and viable principles that underlie the American experiment in democratic government.

NEAL RIEMER,

Associate Professor of Political Science,
Penn State College,
UNIVERSITY PARK, PA.

James Madison once wrote a correspondent, "The hand that writes this letter, wrote the Constitution." Something of an exaggeration, perhaps, but by no means a baseless claim.

Turning to the index of Max Farrand's "Records of the Federal Convention of 1787," one finds that the references to Madison's name occupy more than four columns, while those to the nearest runners-up, Mason, Morris, Rutledge, Sherman and Wilson, occupy less than three columns each. And Farrand's "Records" makes, of course, no reference to the Bill of Rights.

Much is therefore to be said for Irving Brant's suggestion. However, can we stop with Madison? Is my old friend John Marshall properly memorialized at the seat of Government? Then, of course, there are two or three generals who have been neglected, and perhaps a President or two.

Yet on the whole I favor Mr. Brant's suggestion for a special memorial to James Madison.

EDWARD S. CORWIN,

Emeritus Professor of Politics, Princeton University.

PRINCETON, N.J.

(Dr. Corwin's many distinguished books on constitutional law include, "The Constitution and What It Means Today," a standard work on the subject.)

[July 14, 1959]

HONORING MADISON

I have noted with interest the recent discussion concerning a memorial for James Madison. I wholeheartedly agree that this outstanding patriot deserves fuller recognition for his role in building the foundations of our freedom.

Madison, scholarly and judicious, but-tressed the views shared by his more outspoken colleagues with careful reasoning and extensive knowledge.

From his youth he was concerned for individual liberty. At the age of 25, while a delegate to the Virginia Constitutional Convention, he fought for a clause in the Virginia Bill of Rights allowing the "free exercise of religion." Thirteen years later he told the first Congress of the United States that it should "expressly declare the great rights of mankind secured under this Constitution." The amendments which he thereupon introduced became the Bill of Rights for the Nation.

Throughout the formulation of our Constitution and the establishment of our Federal Government, Madison played a quiet but leading role.

While a delegate to the Continental Congress he clearly saw the need for a stronger central government, subsequently sought to convince his State Assembly in Virginia of this fact.

At the Constitutional Convention in Philadelphia, the "Virginia Plan" authored by Madison, became the foundation for the structure of Government which was adopted. Then in the fight for ratification, the Federalist Papers which he joined in writing provided solid, carefully reasoned arguments for the proposed new Government.

Having devoted himself to the establishment of a strong Federal Government, Mad-

ison became a member of the first Congress and took a leading role in the organization of the Government and the creation of the executive departments. It was at this time that he introduced the Bill of Rights.

Madison's service to his country continued, as he was selected by Jefferson to be Secretary of State, and then elected by the Nation to be its fourth President. The lifetime of service which James Madison gave to the establishment of democracy and the protection of the rights of mankind has gained for him the highest respect of all who are continuing the fight to guarantee the freedom and rights of the individual.

THOMAS C. HENNINGS, JR.,
Senator From Missouri.

WASHINGTON.

(Senator Hennings is chairman of the Senate Constitutional Rights Subcommittee.)

[July 24, 1959]

PROPOSAL SECONDED

May I add another seconding vote to Irving Brant's admirable proposal for a memorial in Washington to James Madison, Father of the Constitution.

If the columns lately removed from the Capitol could be so utilized as to identify them firmly in the public mind, not as a group of discarded columns, but with the work of Madison as the key pillar of our thus far remarkably durable political structure, then no other monument, and no other use of the columns, could be more appropriate.

Surely the creation of some suitable monument to Madison is long overdue. Mr. Brant rightly points out, however, that it is we, not Madison, who need that monument.

FRANCIS L. BERKELEY, JR.,
University of Virginia.

CHARLOTTESVILLE.

[July 19, 1959]

PILLAR OF FREEDOM

I was delighted with the suggestion of Irving Brant that the columns lately removed from the front of the Capitol be used in the construction of a memorial to James Madison. The suggestion appeals because Madison was himself a kind of pillar of our constitutional system which the Capitol with its impressive columns symbolizes.

If this particular set of columns must go to make way for additional space inside the building, it would be a happy expedient to use them to honor the man who helped make the Capitol worthwhile.

His services as a member of the Constitution Convention and the recorder of many of its proceedings, as an author of *The Federalist* and advocate generally of the adoption of the Constitution, as a Member of Congress implementing the written Constitution and drafting the first 10 amendments, and as a profound thinker in the field of democratic government, place him with Washington and Jefferson, and other statesmen whom we memorialize in the Capital City.

If some of his other offices, including the Presidency, brought him no added glory, the moderation of his distinction there should not be permitted to obscure his greatness as here revealed. Today, for visitors to Washington, there is a hiatus in our gallery of statesmen. That hiatus can be ended by the suggested use of the columns from the Capitol.

CARL B. SWISHER,
Professor of Political Science, the
Johns Hopkins University.

BALTIMORE.

(The president-elect of the American Political Science Association, Dr. Swisher is the author of *American Constitutional De-*

velopment, and a standard biography of Chief Justice Roger Brooke Taney.)

I wish to endorse most heartily Irving Brant's proposal that James Madison be honored with a memorial made of the columns that once graced the East Front of the Capitol. Madison's contribution to the framing of the Constitution alone would deserve some such recognition from the country which has profited immeasurably from "the rich resources of his luminous and discriminating mind."

Mr. Brant not only has illuminated the life of a great man with his scholarly volumes but has reminded us of a debt long overdue.

JOHN WELLS DAVIDSON.

CHEVY CHASE.

(The author is associate editor of a projected new edition of the public papers of Woodrow Wilson.)

[July 24, 1959]

PHILOSOPHER OF LIBERTY

Irving Brant's proposal of a memorial to James Madison is long overdue. Most students of American history would have greeted his suggestion with enthusiastic approval even before his multivolumed biography conclusively reinforced it. Madison deserves a place among our Nation's builders along with Washington, Jefferson, Marshall, and Hamilton.

Better perhaps than any one of them, Madison grasped the complex essence of free government and labored long and hard toward its implementation. As a systematic thinker, deeply grounded in history and political theory, he surpasses his eminent contemporaries.

For him, man is neither inherently good nor inherently bad. Just as man's capacity for justice makes free government possible, so man's capacity for injustice makes free government necessary. The main purpose, he said, is to defend "liberty against power, power against licentiousness and . . . (to keep) every portion of power within its proper limits."

Madison's basic philosophy of balance is somewhat at odds with Jefferson's major emphasis on limited government responsive to the popular will, as well as with Hamilton's bias toward consolidated coercive power in the National Government. More flexible than most of his contemporaries, history has added to his claim, widely recognized during the formative period, to be identified as Father of the Constitution.

ALPHEUS T. MASON,
Professor of Politics, Princeton University.

BOULDER, COLO.

(In addition to major biographies of Justice Louis Brandeis and Chief Justice Harlan Fiske Stone, Dr. Mason is the author of "American Constitutional Law.")

[From the San Francisco (Calif.) Chronicle,
July 12, 1959]

FORGOTTEN FOUNDING FATHER

What of Madison—James Madison, fourth President of the United States?

Why has this extremely imposing figure faded in the memory of Americans who owe him so much? Why have his great and enduring contributions to constitutional government been so long ignored that he is rightly called "the most unhonored and unsung of the Founding Fathers"?

These questions have lately been raised in Washington—the National Capital so named, incidentally, at Madison's suggestion—with the excessively tardy proposal that a due and fitting Madison memorial be authorized and set up.

It is unthinkable that such a figure in American history should longer remain

neglected, that there be no monument to him in Washington, that his home—still standing in Virginia—should not acquire the status of Mt. Vernon and Monticello.

For James Madison was truly the Father of the Constitution. He drafted much of it; he fought for its adoption; he successfully beat down the considerable opposition of such as Patrick Henry, James Monroe, and John Tyler when it was up for ratification in Virginia.

Of intimate and direct concern to Americans today, James Madison likewise wrote 9 of the 10 amendments that protect individual liberties and are known as the Bill of Rights.

Along the way, he—with Alexander Hamilton and John Jay—wrote the brilliant constitutional studies known as the *Federalist* papers.

Irving Brant, biographer of Madison, has most aptly suggested that 24 columns removed during recent renovation of the Capitol might be fashioned into a Madison memorial of beauty and dignity to stand with the Washington and Jefferson and Lincoln memorials.

There should be no delay in furthering such a project. James Madison has been too long neglected. As Irving Brant has put it: "We should erect a memorial to Madison, not because he needs it, but because we do."

Economic Growth and the Government's Role in Fostering Growth

EXTENSION OF REMARKS

OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 28, 1959

Mr. CURTIS of Missouri. Mr. Speaker, on July 24, 1959, the Secretary of the Treasury, Robert B. Anderson, appeared before the Joint Economic Committee. I believe his statement merits the attention of each and every one of my colleagues and it is for that reason I have asked permission to have it inserted in the RECORD. The study which has been conducted by the joint Treasury-Federal Reserve study group is an important one and I call attention to part I of the group's factual report as well as parts II and III.

The statement follows:

STATEMENT BY SECRETARY OF THE TREASURY
ROBERT B. ANDERSON BEFORE THE JOINT
ECONOMIC COMMITTEE, FRIDAY, JULY 24,
1959

Our national economic objectives can be summarized under three broad headings: (1) Continuity of employment opportunities for those able, willing, and seeking to work; (2) a high and sustainable rate of economic growth; and (3) reasonable stability of price levels. Each of these objectives is important; each is related to the others.

The rapid upsurge in economic activity of the past 15 months provides an appropriate background for your study of these national economic goals and the best methods of achieving them. The recent resurgence in output, income, and employment to record levels has once again demonstrated the basic strength and resilience of our free choice, competitive economy. Thus, we

visualize the task with which your committee is confronted not as one of devising drastic changes in our techniques for achieving our economic goals. Rather, it is to evaluate, within the perspective of developments of the past few years and during the post-war period as a whole, the existing techniques toward the end of sharpening their use. There may perhaps be weapons not now in our arsenal that should be developed; there are no doubt ways in which existing techniques can be improved. But the performance of our economy supports the judgment that basically our economy is sound and healthy.

Much could be said about Government economic techniques, their nature, interrelationships, strengths, and shortcomings. I am sure, however, that your committee will explore these matters thoroughly, drawing both from current thinking and from the vast body of earlier study performed both by committees of the Congress and by private individuals and organizations.

Before discussing the Treasury-Federal Reserve study of the Government securities market, in which you have expressed particular interest, I should like to consider briefly economic growth as a goal of public policy.

Some in our country express a belief that the Government should undertake the primary role in promoting economic growth. It is my belief that in our system the Government is not the predominant factor in our Nation's economic advancement. It must foster and facilitate economic progress—it cannot force it.

What we all seek is sound, sustainable growth—not any kind of growth, or growth at any cost.

Should our efforts to spur progress lead to inflation, it will bring only disappointment and hardship. But, when growth is in terms of goods and services that people need and can buy, it will bring great rewards.

Only within the past decade has economic growth been explicitly recognized as a major goal of public policy. This recognition, coupled with considerable public discussion of the importance of growth to our economy, provides an important reason for taking a careful look at growth as a national economic objective. What is economic growth? What determines the rate of economic growth in a free choice, market economy? And, finally, what is the proper role of Government in promoting a high and sustainable rate of economic growth?

WHAT IS ECONOMIC GROWTH?

The most commonly cited definition of economic growth is in terms of the annual advance in real gross national product; that is, growth in the dollar value of total output, adjusted for changes in price levels. For some purposes this is a good measure of economic growth; for others it is not.

An over-all measure of growth tells us nothing about its nature. For any period, we must get behind the broad figures to determine what type of growth has taken place. This is simply another way of saying that promotion of growth for its own sake may well result in either fictitious or unsustainable growth. An increase in output, to be meaningful, must consist of the goods and services that people want and are able to buy. It is not enough to select some hypothetical maximum of growth; the actual growth that occurs must consist of useful and desirable things as opposed to unwanted or undesirable goods.

Thus, in trying to decide whether growth over a period of years was at an adequate rate, we would first have to look within the total—to get behind the figures—and try to determine the characteristics of the growth. Some of the questions we would ask would be: How much did personal con-

sumption expand relative to Government use of goods and services? Within the Government component, what portion consisted of defense spending as opposed to schools, highways, and other public facilities? How much of the increase in output consisted of goods the people did not want, and thus ended up in Government warehouses, being given away, or destroyed? What portion of total output was devoted to investment in the instruments of production, to modernization of plant and equipment, and to research? How much of our effort had to be devoted merely to maintenance of our productive plant, as opposed to net new additions?

There are other important questions. How were the fruits of the growth in output distributed among various groups in the economy? Did the growth carry with it certain imbalances that would hamper future growth? To what extent was temporary growth fostered by reliance on actions that impinged directly on the free choice of individuals and institutions?

These are but a few of the questions we should ask. They indicate that economic growth, in terms of a broad, aggregate figure, is not necessarily an end in itself. It must be growth of the right kind; it must be sustainable growth.

WHAT DETERMINES THE RATE OF ECONOMIC GROWTH?

The role of public policy in fostering a high and sustainable rate of economic growth in a free choice, competitive economy can be properly assessed only on the basis of an understanding of the determinants of growth.

The factors influencing the rate of growth are manifold and complex. Among those of major importance is the pace of technological advance. No one can study the economic history of this or any other advanced industrial nation without being impressed by the vital contributions of the inventor, the innovator, and the engineer. A stagnant technology is likely to be accompanied by a stagnant economy. Man's ingenuity in tackling and solving his problems lies at the heart of the growth process.

This is perhaps another way of saying that growth and change are inseparably intertwined. If we would enjoy maximum growth, we must not only be willing to improve the production process through accepting new ways of doing things, but we must also actively seek out such techniques. Moreover, the integral role played by change and technological advance in the growth process contributes to unevenness in growth over time. Technological advance does not come at a steady, constant rate. Thus we cannot expect growth, to the extent it reflects such forces, to proceed at a steady rate, year in and year out.

Technological advance, however, cannot alone assure a high rate of growth. The best ideas and the best techniques are of little benefit if the means are not available to translate them into operating productive processes. This requires real capital, which can only grow out of saving and productive investment. Thus, real capital formation—which consists of the machinery and instruments of production, tools of all sorts, and new plant buildings—is a basic ingredient of economic growth. An economy in which additions to the stock capital equipment are small cannot be a rapidly growing economy.

The importance of an adequate rate of capital formation in the growth process deserves special emphasis. Broadly speaking, current output can be directed either into consumption goods, represented by durable and nondurable consumer goods and services, or into investment goods, represented principally by new industrial plant and equipment. So long as our economic resources are being

utilized close to capacity—as has indeed been the case almost continuously since 1941—the more of our output we devote to capital formation, the less that is available for current consumption. The more we consume, the less we can devote to capital formation.

This is a basic but, apparently, little understood principle of economics. There appear to be some observers who believe that, on top of providing adequately for national defense and devoting a considerably larger volume of current output to public projects, we can still achieve uninterrupted future growth in the private sector of the economy at a rate higher than ever before realized in this country. Perhaps this is possible; but it seems clear to me that it can occur only at the expense of current consumption. It can take place, in other words, only if we are willing to accept a lower current standard of living. With our pressing needs for adequate national defense, we cannot have an ultra-high maximum rate of economic growth in the future, requiring as it does heavy current investment in plant and equipment, without restricting current consumption. We cannot "have our cake and eat it too."

A third important requisite for a high and sustained rate of growth is reasonably full, efficient, and continuous use of our economic resources. Economic recession is the No. 1 enemy of sustained growth in this country. Idle manpower and idle equipment represent production that is irretrievably lost. Moreover, inefficiencies in use of resources can also carry a heavy toll in terms of lost output.

It is important to emphasize that success in achieving high and sustained employment, and in providing useful job opportunities for our growing population, is closely related to our success in promoting an adequate rate of capital formation. In our highly industrialized economy, workers must have the machines with which to work. These machines will come into existence only to the extent that productive investment takes place.

In short, economic growth in a free choice, competitive economy tends to vary more or less directly with the pace of technological advance, the rate of capital formation, and the extent to which economic resources are effectively employed. To be effective, any Government program designed to foster growth must operate largely through these basic determinants.

GOVERNMENT'S ROLE IN FOSTERING GROWTH

Government can play an important role in fostering a high and sustainable rate of economic growth. One basic principle should be clear, however. In an economy in which major reliance is placed on individual initiative and decisions, and in which the alternative uses of economic resources respond, through the market mechanism, primarily to consumer demand, Government can and should play only a facilitating, not a predominant, role in the growth process.

The moving forces which promote growth in a free choice, market economy are basically the same as those that account for economic progress on the part of the individual. Thus the individual's desire for a higher and more secure standard of living for himself and for his family is the basic stimulus. This is the prime mover. To this end he studies, plans, works, saves, and invests. He searches out new ways of doing things, developing new techniques and processes. Where such instincts as these are strong, the forces promoting growth in society as a whole are strong. Where they are weak, the impetus for growth is also weak.

The first role of Government in promoting growth is to safeguard and strengthen the traditions of freedom in our economy. Stated differently, the proper and effective role of Government is to provide an atmosphere conducive to growth, not directly to attempt to force growth through direct intervention in markets or through an im-

provident enlargement of the public sector of the economy. Indeed, governmental efforts to promote growth that rely on, or subsequently lead to, excessive intervention in and direction of market processes can only impede growth in the long run.

The case for this approach to promoting growth is strengthened by the fact that technological advance flourishes in an atmosphere of freedom. Basic to technological advance is pure research; and a fundamental belief in our society is that pure research makes its greatest contribution when minds are free to meet the challenges of the future.

Government can also promote rapid, healthy growth by fostering competition in the economy. Competition sharpens interest in reducing costs and in developing more efficient methods of production. It places a premium on skills in business management. It stimulates business investment, both as a means of economizing in the production process by use of more efficient machinery and by enlarging capacity in order to capture a larger share of the market. Healthy and widespread competition, in short, is the primary stimulant to efficiency in use of our economic resources, both human and material, through technological advance and by stamping out waste and inefficiency in productive processes.

Our tax system may hamper growth in a number of ways. One of the objectives of the study recently initiated by the House Ways and Means Committee, and in which the Treasury is cooperating, is to determine what changes can be made that will be conducive to healthy and sustainable economic growth. I am hopeful that this study will lead to significant results.

All of these methods of aiding growth are important. I am convinced, however, that Government can make a most significant contribution to growth primarily by using its broad financial powers—fiscal, debt management, and monetary policies—to promote reasonable stability of price levels and relatively complete and continuous use of our economic resources.

As noted earlier, a high rate of saving is indispensable in achieving a high rate of economic growth. Under conditions of near-capacity production, resources can be devoted to capital formation only to the extent that they are freed from output of goods for current consumption. This, in turn, is possible only to the extent that saving occurs.

In the years since the war, incentives to save in traditional forms—in savings accounts, bonds, and through purchasing insurance—have been somewhat impaired by the conviction of some that inflation is inevitable. In my judgment, this is a mistaken conviction. But the fact remains that if we allow a lack of confidence to develop in the future value of the dollar, the desire to save will be weakened.

Full confidence in the future value of the dollar can be maintained and strengthened only by a concerted, broad-gage attack on all of the forces and practices that tend to promote inflation. Some of these forces and practices may be new and thus require further study before they can be identified and before appropriate policies to control them can be devised. But there should be little doubt in our minds as to the proper role of general stabilization policies. Under present-day conditions, with production, employment, and income advancing rapidly to record levels, such policies should be directed toward self-discipline and restraint. This requires Federal revenues in excess of expenditures, to provide a surplus for debt retirement; flexible management of the public debt; and monetary policies directed toward preventing excessive credit expansion from adding unduly to overall demand for goods and services.

Some observers have argued recently that we are not now confronted with monetary inflation, or with a situation in which "too much money is chasing too few goods." They point to the high degree of price stability during the past year as proof of this contention. This same argument could well have been made in mid-1955, when that recovery was also merging into the boom phase of the cycle. At that time, the Consumer Price Index had actually declined slightly during the preceding 18 months; the wholesale price index has been stable for about 30 months. We failed to recognize at that time, just as we may be in danger of failing to recognize now, that the high levels of demand generated in the recovery had sown the seeds of later increases in prices. Thus, wholesale prices rose moderately in the last half of 1955, at a steady and relatively rapid rate throughout 1956, and moderately during 1957. Consumer prices, exhibiting the customary lag, did not begin to advance until the spring of 1956, but thereafter rose steadily until early 1958.

The important point is that effective control of inflation requires actions to restrain inflationary pressures at the time that such pressures are developing. To wait until the pressures have permeated the economy, and have finally emerged in the form of price increases, is to delay action until the situation is much more difficult to cope with.

Effective stabilization actions to limit inflationary pressures during this period of rapid business expansion, in addition to promoting stability of price levels, will stimulate sustained growth in still another important way. Such policies, by helping to assure that the current healthy advance in business activity does not rise to an unsustainable rate and then fall back, would promote relatively full and continuous use of our economic resources. I am firmly convinced that the degree of severity of a business recession reflects to a considerable extent the development of unsustainable expansion in the preceding boom. By exercising restraint and moderation during periods of prosperous business, we can keep booms from getting out of hand and, in so doing, minimize the impact of later adjustments.

Appropriate current governmental policy to promote growth must be consistent with long-range objectives and not resort to quick expedients that endanger sustainable development. We must reject the arguments of those who would attempt to force growth through the artificial stimulants of heavy Government spending and excessive expansion of money and credit. If we would foster growth—not of the temporary, unsustainable type, but long-lasting and rewarding—we need first to reinforce our efforts to maintain reasonable price stability and relatively full and continuous use of our economic resources. Both logic and experience demonstrate clearly that heavy reliance on Government spending and monetary and credit excesses during a period of strong demand, rather than promoting growth, can lead only to inflation. Inflation tends to dry up the flow of savings and leads ultimately to recession—the No. 1 enemy of growth.

We live in what is basically a free choice economy. Within rather broad limits, we are free to dispose of our labor, property, and incomes as we see fit. In disposing of our incomes, we are free to spend or to save, to invest or to hoard. So long as we maintain the basic freedoms that foster competitive enterprise and stimulate technological advance, and so long as we use our broad financial powers to promote stability in the value of our currency and to avoid the extremes of economic recession, I am confident that economic growth will proceed at a high and sustainable rate. The strength of our economy lies in its very re-

liance on the integrity, wisdom, and initiative of the individual. We must not weaken this basic strength.

THE GOVERNMENT SECURITIES MARKET STUDY

I will now make some brief observations on the Treasury-Federal Reserve study of the Government securities market.

Our national economic objectives are, of course, fundamental. It is only in relation to the successful achievement of these objectives that the financial policies pursued by our Government can have real meaning. Furthermore, fiscal, debt management, and monetary policies can make their maximum contribution to national economic goals only if they can operate in a market which is responsive to policy actions both in terms of basic understanding of those actions by the investing public and in terms of the efficiency and maximum usefulness of market organization.

The Government securities market is the largest financial market in the world, with a daily trading volume of more than \$1 billion. It is an extremely complex market and is sharply competitive. It is very responsive to trends and expectations as to business activity, Government policies, and international developments.

Its responsiveness and competitiveness, under widely varying circumstances, mean that it can provide the proper environment for the successful flotation of the tremendous volume of frequent Treasury security offerings to the public, which last year alone totaled almost \$50 billion, exclusive of the rollover of weekly Treasury bill maturities. Similarly, it can provide an efficient mechanism through which Federal monetary policy can operate. Moreover, it must provide for the smooth transfer of large amounts of Government securities among investors as liquidity and investment needs are satisfied.

The Treasury, the Federal Reserve, and the entire business and financial community, therefore, have a joint responsibility, collectively and individually, to encourage the market to resist any forces which threaten to impair its maximum performance. If market techniques become distorted or restrictive practices arise, the consequences can extend far beyond any immediate impact on investors, speculators, or suppliers of credit. It can undermine the basic contribution which a smoothly functioning Government securities market should make to the national welfare.

It is with this realization of the importance of the Government securities market that the Treasury and Federal Reserve last spring undertook their joint study of the way in which the market operates, with particular reference to the market's performance around the time of the reversal of the economic downturn a little more than a year ago.

A study of market mechanisms is necessarily technical. The results of any such study are understandably less dramatic than studies of the broad aspects of fiscal, monetary, and debt management policy which, together with general economic trends and expectations, provide the environment in which these market mechanisms operate.

Our joint Treasury-Federal Reserve study group has been working continuously toward the objectives which were laid out when the project was announced on March 9, 1959. Part I of the study group's factual report is now in final form; parts II and III are only in preliminary form. All three parts are being made available for public release on Monday morning.

Your committee already has a joint statement by Chairman MARTIN and myself relating to the study. The virtual completion of the factual study by the study group provides a background which Federal Reserve and Treasury policy officials can now care-

fully review as we work toward official conclusions and recommendations growing out of the study.

These conclusions cannot be prejudged. Treasury and Federal Reserve officials have been following the progress of the study group with great interest, but because of the late completion of the report, we have had little opportunity to examine the factual material which the study group has assembled.

As Chairman MARTIN and I state in the concluding paragraphs of our joint state-

ment, markets are dynamic institutions which require adaptation to changing needs. The public interest is served only if the study of these adaptations is continuous, even though it may be intensified from time to time as in the present study.

We both recognize, and I want to emphasize it again, that improvements in market mechanisms, helpful though they may be, cannot be expected to solve the basic financial problems which our Nation faces—the problems of fiscal imbalance during prosperous times, the tendency for the public

debt to grow shorter in its maturity structure, the need for continuous flexibility in adapting monetary policies to varying circumstances, the need to encourage increased savings to finance soundly the Nation's heavy capital requirements, and the problem of the instability of financial markets as they react to turning points in economic cycles.

These are basic problems. We are glad to work with your committee in seeking their solutions in the best interest of the public.

SENATE

WEDNESDAY, JULY 29, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, in the constant struggle we wage with ourselves give us to know, we pray Thee, that that inner battle is being won when we bring a smile to the face of a little child, or added serenity to the look of those we love, or share another's burden, or bless another with our friendship.

May we be heartened that the angels of our better selves are winning when we help to end some wrong and to enthrone some right, and when we do this in a faith which discerns the unseen and eternal behind the seen and temporal, and when our life is radiant with a hope which accepts no present defeat as final, but assumes ultimate victory for every righteous cause.

So may we throw the stubborn ounces of our influence on the side of the power which swings the stars in their courses and which in all the universe works for righteousness. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 29, 1959.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. EVERETT MCKINLEY DIRKSEN, a Senator from the State of Illinois, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. DIRKSEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 28, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 6596) to encour-

age and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ASPINALL, Mr. POWELL, Mr. EDMONDSON, Mr. SAYLOR, and Mr. WHARTON were appointed managers on the part of the House at the conference.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Housing Subcommittee of the Committee on Banking and Currency was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON AGREEMENTS CONCLUDED UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, Washington, D.C., reporting, pursuant to law, on agreements concluded during June 1959, under title I of the Agricultural Trade Development and Assistance Act of 1954, with the Governments of the Republic of China (Taiwan), the Polish

People's Republic, Argentina, and the Republic of Korea (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON PURCHASES AND CONTRACTS FOR PROPERTY OR SERVICES COVERING EXPERIMENTAL, DEVELOPMENTAL, AND RESEARCH WORK

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report on the purchases and contracts for property or services covering experimental, developmental, and research work (with an accompanying report); to the Committee on Armed Services.

REPORT ON MILITARY PRIME CONTRACTS WITH BUSINESS FIRMS IN THE UNITED STATES FOR EXPERIMENTAL, DEVELOPMENTAL, AND RESEARCH WORK

A letter from the Assistant Secretary of Defense (Supply and Logistics), transmitting, pursuant to law, a report on military prime contracts with business firms in the United States for experimental, developmental, and research work, for the month of May 1959 (with an accompanying report); to the Committee on Banking and Currency.

HELIUM ACT OF 1959

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend the Helium Act of September 1, 1937, as amended, for the defense, security, and the general welfare of the United States (with an accompanying paper); to the Committee on Interior and Insular Affairs.

APPLICATION OF MERCHANT MARINE ACT OF 1936 TO FUNCTIONS OF CERTAIN FISHING VESSELS

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to continue the application of the Merchant Marine Act of 1936, as amended, to certain functions relating to fishing vessels transferred to the Secretary of the Interior, and for other purposes (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

ADMISSION OF DISPLACED PERSONS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Chow Ging Song from a report transmitted to the Senate on April 15, 1958, pursuant to section 4 of the Displaced Persons Act of 1948, as amended, (with accompanying papers); to the Committee on the Judiciary.

MINUTES OF CONVENTION AND AUDITOR'S REPORT OF VETERANS OF WORLD WAR I

A letter from the National Commander, Veterans of World War I of the U.S.A., Inc., Washington, D.C., transmitting, pursuant to law, a copy of the minutes of the last convention of that organization, together with the auditor's report, for the fiscal year ended August 31, 1958 (with accompanying papers); to the Committee on the Judiciary.